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ABSTRACT

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 replaced Aid to Families with Dependent Children (AFDC) with block grants to states, called Temporary Assistance for Needy Families (TANF). Consistent with TANF's philosophy and goals, Los Angeles Jobs-First GAIN (Greater Avenues for Independence) emphasized job search assistance and imparted a strong pro-work message to move thousands of AFDC/TANF recipients quickly into jobs and off welfare. Central to the Jobs-First GAIN evaluation was an experimental design based on random assignment. Nearly 21,000 single parents and members of 2-parent households were randomly assigned to experimental and control groups. Experimental group members had access to Jobs-First GAIN's program services and Work First message. Control group members were precluded from receiving Jobs-First GAIN services until the end of the followup period for the evaluation. Main findings were as follows: Jobs-First GAIN produced a substantial initial boost in employment and earnings; produced small reductions in welfare and food stamp receipt, but larger decreases in expenditures for public assistance; helped welfare recipients replace welfare dollars with earnings, though their overall income remained about the same; achieved larger employment and earnings gains than the county's previous, basic-education-focused program; and produced positive effects for many different types of welfare recipients. (Contains 42 references, 38 tables, and 12 figures.) (YLB)

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The Los Angeles Jobs-First GAIN Evaluation

Stephen Freedman
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David Navarro

June 1999

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The Los Angeles Jobs-First GAIN Evaluation

First-Year Findings on Participation Patterns and Impacts

Stephen Freedman
Marisa Mitchell
David Navarro

June 1999

MDRC

Manpower Demonstration
Research Corporation

The Manpower Demonstration Research Corporation is conducting the Los Angeles Jobs-First GAIN Evaluation under a contract with the Los Angeles Department of Public Social Services. The U.S. Department of Health and Human Services and the Ford Foundation are providing additional funding for the evaluation.

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Preface

In 1993, administrators of the Los Angeles County Department of Public Social Services (DPSS) began a total overhaul of their welfare-to-work program, GAIN (Greater Avenues for Independence). For the previous five years, GAIN staff had assigned most welfare recipients who entered the program to classes in adult basic education, GED preparation, or English as a Second Language. Evidence from several sources — including an evaluation of the program by MDRC, agency reports on participation and job placements, and discussions with supervisors and staff — showed that GAIN's basic education approach was not working as hoped: The program was relatively costly, but helped few additional people attain education credentials or employment.

DPSS administrators resolved that a program that offered job search assistance as its primary service and encouraged welfare recipients to start working as soon as possible would help greater numbers of welfare recipients achieve self-sufficiency. Consulting with administrators of other programs, including the GAIN program in neighboring Riverside County, and working with administrators in the County Office of Education, DPSS administrators fashioned an innovative, strongly employment-focused program, which they named Jobs-First GAIN.

Launched in 1995, Jobs-First GAIN combined program services and mandates that had worked in other settings and some that were relatively new. Its main features included: (1) an unusually intensive program orientation aimed at motivating new enrollees to find work quickly; (2) high-quality job clubs, whose leaders taught job-finding skills and engaged participants in activities aimed at boosting their self-esteem and motivation to work; (3) job development activities to increase job opportunities and match people with prospective employers; (4) a strong Work First message communicated through written handouts and group presentations, and in individual meetings with program staff; (5) a warning, repeated orally and in writing, that California would impose time limits on welfare eligibility for those who did not work; (6) a concerted effort to teach people that California's relatively generous rules for calculating welfare grants would help them increase their income in the short term by combining work and welfare; and (7) a relatively tough, enforcement-oriented approach to encourage people to complete the activities and find work quickly. Most of the features of Jobs-First GAIN continue under CalWORKs, California's program under the TANF provisions of the 1996 federal welfare reform law.

DPSS administrators contracted with MDRC to evaluate Jobs-First GAIN, using a rigorous random assignment design. The Jobs-First GAIN Evaluation began in 1996 and includes nearly 21,000 single parents and members of two-parent households. The evaluation is jointly funded by DPSS, the U.S. Department of Health and Human Services, and the Ford Foundation. We are grateful for their commitment and support.

The first report from the evaluation described how DPSS restructured its GAIN program, and concluded that it is possible to change a large, urban, basic-education-focused welfare-to-work program to a work-focused program. The present report explores whether these changes made a difference. It describes patterns of participation in Jobs-First GAIN and presents estimates of the program's effects on employment, earnings, and welfare receipt during the first year following the date on which people enrolled in Jobs-First GAIN and attended a program orientation.

The main findings for the first year are that Jobs-First GAIN:

- produced a substantial boost in employment and earnings;
- led to small reductions in the percentage of people receiving welfare and Food Stamps, but larger decreases in expenditures for such assistance;
- helped welfare recipients replace welfare dollars with earnings, though their overall income remained about the same;
- achieved larger employment and earnings gains than the county's previous, basic-education-focused program; and
- produced positive effects for many different types of welfare recipients.

Overall, with more people employed but a substantial percentage still not working, the findings convey a dual message: clear and measurable progress, but, not surprisingly, no simple answers.

A later report will extend the impact analysis to a second year and study a greater range of program effects, including access to medical coverage, use of transitional child care, incidence of food insecurity and hunger, and the well-being of children. The report will also include a benefit-cost analysis.

The findings from the Jobs-First GAIN Evaluation have broad significance for welfare reform. Los Angeles County has the largest welfare population of any county in the United States — larger than that of any state except New York and California. Hispanics and African-Americans make up about 80 percent of the county's welfare population. Recent studies of welfare caseloads have shown that minorities and residents of large cities are leaving assistance more slowly than other welfare recipients. If Los Angeles County's program succeeds in moving significant numbers of people from welfare to work and sustains these gains over time, the program can serve as a model for many other large urban areas.

Judith M. Gueron
President

Acknowledgments

The authors wish to express their thanks to the many people who have supported and aided the preparation of this report and the Jobs-First GAIN Evaluation overall. We are particularly indebted to Eddy Tanaka, former Director of the Los Angeles County Department of Public Social Services (LA DPSS), and to John Martinelli, former Chief of the GAIN Program Division, who initiated plans and committed agency funds for a rigorous evaluation of DPSS's employment-focused welfare-to-work program. Mr. Martinelli also played an active role in developing the research agenda, facilitated the handling of data requests, and reviewed drafts of earlier reports, research papers, and memos. Their successors, DPSS Director Lynn Bayer and GAIN Chief Eileen Kelly, have maintained a high level of support for the evaluation and have carefully reviewed the findings. MDRC has also been fortunate to work with GAIN Program Managers Pat Knauss and Jackie Mizell-Burt, and with Human Services Administrators Brenda Rosenfeld, Carlos Hernandez, and Norvin Armstrong, who have ably served as liaisons to MDRC. These administrators worked with MDRC staff to implement random assignment, helped us acquire administrative data and published agency reports, provided technical assistance on use and interpretation of these data, patiently answered our many questions about the operation of Jobs-First GAIN, and reviewed earlier drafts of this report.

A number of DPSS Computer Services Division and Electronic Data Systems (EDS) personnel helped design, launch, and monitor the random assignment module on GEARS, DPSS's automated program tracking system: Geoff Cosner, Beverly Marlowe, Herb Orban, Kien Thi, and Alexa Waarbroek. Other DPSS and EDS staff facilitated MDRC's access to and use of DPSS administrative, program tracking, and supportive service payment data: Dan Elias, Virginia Gandara, Tara Chapman, and Ralph Zbrog. MDRC also thanks the administrators and staff of the Jobs-First GAIN district offices for implementing the random assignment design, facilitating our fieldwork and on-site data collection, and providing insights on the philosophy and operation of the program.

Betty High of DPSS merits our special thanks for her patient and time-consuming work in helping MDRC learn how to access and process welfare and Food Stamp payment records and in managing the production and delivery of large monthly payment files. Similarly, Dana Herron of the Information Security Office at the California Employment Development Department (EDD) ably managed MDRC's request for Unemployment Insurance earnings data and monitored production of the files.

The Jobs-First GAIN Evaluation has also received financial support from the U.S. Department of Health and Human Services and the Ford Foundation. We offer special thanks to Howard Rolston at HHS for helping to guide the research agenda and, along with Alan Yaffe, for reviewing earlier drafts.

At MDRC, Daniel Friedlander provided overall guidance to the evaluation, supervised the impact analysis, and offered thoughtful comments on earlier drafts. Judith Gueron and Barbara Goldman also reviewed earlier drafts of this report and improved the quality of the analysis and presentation.

John Wallace worked with DPSS administrators to launch the evaluation and has performed important liaison work with county, state, and federal administrators. Evan Weissman conducted most of the initial fieldwork and helped implement the random assignment design.

Joel Gordon designed and monitored the automated random assignment process; oversaw collection of data on sample members' characteristics, program tracking, and supportive service payments; prepared analysis files; and served as a key liaison with DPSS management information administrators, staff, and subcontractors. Margarita Agudelo managed acquisition of welfare and Food Stamp payment records. Debra Romm supervised the design and ongoing processing of the data bases for these records and for Unemployment Insurance earnings records. Natasha Piatnitskaia prepared and processed these data and performed data quality checks. Ngan Yee Lee assisted in several data processing tasks, coordinated data processing schedules, and maintained the data library.

Electra Small prepared the program tracking analysis file and programmed the outcome measures. Diane Singer created tables and figures and assisted in report coordination. Diana Adams-Ciardullo, Carmen Guerra, and Julie O'Brien fact-checked the tables and text. Judith Greissman and Robert Weber edited the report, and Stephanie Cowell did the word processing.

The Authors

Executive Summary

The Personal Responsibility and Work Opportunity Reconciliation Act of August 1996 ended the Aid to Families with Dependent Children (AFDC) program, the nation's largest cash welfare program. Among its provisions, the law replaced AFDC with block grants to states, called Temporary Assistance for Needy Families (TANF), and created financial incentives for states to run mandatory, work-focused, welfare-to-work programs. The law also placed a five-year limit on the amount of time most families can receive federally funded welfare, and it required states to place increasingly high percentages of welfare recipients into jobs and employment-related activities.

In meeting the new challenges of the federal welfare legislation, state and local administrators and policymakers can benefit from reliable information on the types of welfare-to-work program approaches that can quickly move substantial numbers of people into work and off welfare. This is especially true for programs that operate in large cities, where the remaining caseload, following large declines nationwide, is concentrated. Many of the nation's major urban areas have unemployment rates above the national average, little or no public transportation to connect inner-city residents to available jobs in the suburbs, and large bureaucracies that can be hard to change. Further, Hispanics, African-Americans, and other minority groups make up most of the nation's welfare caseload. Minorities are leaving assistance more slowly than recipients who are white and will likely make up an even larger portion of the welfare population in the coming years. Thus, the success of welfare reform nationally will depend increasingly on how well large, urban welfare-to-work programs help predominantly minority welfare populations find employment and leave assistance.

This report presents first-year participation and impact findings from the evaluation of the Los Angeles Jobs-First GAIN (Greater Avenues for Independence) program, the largest county welfare-to-work program in the nation. Consistent with the philosophy and goals of the 1996 federal welfare reform legislation that created TANF, Los Angeles Jobs-First GAIN emphasizes job search assistance and imparts a strong pro-work message in attempting to move thousands of AFDC/TANF recipients quickly into jobs and, as soon as feasible, off the welfare rolls. This message and emphasis place Jobs-First GAIN in the category of Work First programs, the approach followed by most current state and local welfare-to-work programs. Most of the features of Jobs-First GAIN continue under CalWORKs, California's program under the TANF provisions. Los Angeles inaugurated its CalWORKs program in April 1998, after the follow-up period for this report.

The findings on Jobs-First GAIN have broad significance for welfare reform. Los Angeles County, with a total population of 9.6 million people, has the largest welfare population of any county in the United States (about 700,000 people, in about a quarter of a million cases) — roughly one-twelfth of the nation's welfare caseload and larger than that of any state except New York and California. Hispanics and African-Americans make up about 80 percent of the county's welfare population. If Los Angeles County's Work First program succeeds in moving significant numbers of people from welfare to work, the program can serve as a model for many other large urban areas.

The Jobs-First GAIN Evaluation began in 1996 and will continue through December 1999. It is jointly funded by the Los Angeles Department of Public Social Services (DPSS), the U.S. Department of Health and Human Services (HHS), and the Ford Foundation. This report is the latest from the evaluation. The first report, *Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients* (1997), described how DPSS restructured its GAIN program services model from a "human capital" development (primarily basic education) approach to a Work First model. The report concluded that it is possible to change a large, urban, education-focused welfare-to-work program to a Work First program.

This report explores whether these changes made a difference. It describes patterns of participation in Jobs-First GAIN and presents estimates of the program's effects on employment, earnings, and welfare receipt during the first year following the date on which people enrolled in Jobs-First GAIN and attended a program orientation.

Central to the evaluation is an experimental design based on random assignment. Nearly 21,000 single parents (AFDC-FGs, or Family Group) and members of two-parent households (AFDC-Us, or Unemployed Parents) who attended a Job-First GAIN orientation from April 1 through September 11, 1996, were randomly assigned to one of two groups: the experimental and control groups. Experimental group members had access to Jobs-First GAIN's program services and Work First message. They were subject to the program's mandatory participation requirements and could incur a sanction (a reduction in their welfare grant) for noncompliance. Control group members were precluded from receiving Jobs-First GAIN services until October 1998, the end of the follow-up period for the evaluation. They remained eligible to receive welfare and Food Stamp payments, however. Control group members could also seek other services in the community and receive child care assistance from DPSS for employment-related programs in which they enrolled on their own initiative.

Finally, both experimental and control group members were eligible for California's rules for calculating welfare grants, called "Work Pays" (described in Section II). Work Pays allowed most welfare recipients who found a job to continue receiving welfare benefits and retain eligibility for Medicaid. Control group members may have been motivated by these rules to look for work on their own initiative or to increase their hours of work. As discussed in Section II, it is likely that fewer control than experimental group members knew about Work Pays.

Experimental designs based on random assignment typically provide the most accurate and reliable findings on effects of welfare-to-work programs. Because people are assigned at random to the experimental or control group, the two groups do not differ systematically on both measured characteristics (such as length of time on welfare) and unmeasured characteristics (such as strength of motivation to get a job). Members of the two groups also face the same labor market conditions. The employment and welfare behavior of control group members represents what would have happened to welfare recipients in the absence of the program. Thus, any subsequent differences found between the two groups can be attributed with confidence to the combination of program services, messages, and participation mandates that only experimental group members experienced. These differences, known in the language of evaluations as program *impacts*, will be discussed later in this summary and are statistically significant unless otherwise noted (that is, they have greater than a 90 percent chance of resulting from the program rather than by chance).

I. Overview of the Findings

- **As expected for a Work First program, Jobs-First GAIN produced a substantial initial boost in employment and earnings.** Jobs-First GAIN increased the proportion of single parents (AFDC-FGs) who worked for pay during the first year of follow-up by 11 percentage points above control group levels. This increase is large relative to results from earlier studies of welfare-to-work programs. The program raised first-year earnings for AFDC-FGs by an average of $750 (31 percent) relative to the control group. Jobs-First GAIN also boosted employment levels for members of two-parent families (AFDC-Us) by 12 percentage points and increased their first-year earnings by an average of $1,082, or 44 percent (compared to the control group's earnings). The AFDC-U sample for this evaluation is nearly evenly divided between men and women. Jobs-First GAIN caused employment and earnings gains for both men and women, with the gains for AFDC-U men averaging $1,449 per experimental group member (compared to the average earnings for AFDC-U men in the control group). The gains for AFDC-U women were not as large.

- **Jobs-First GAIN produced small reductions in welfare and Food Stamp receipt, but larger decreases in expenditures for public assistance.** At the end of year 1, the vast majority of experimental group members — 78 percent of single parents (AFDC-FGs) and 77 percent of members of two-parent families (AFDC-Us) — still received AFDC/TANF payments, but these proportions were 4 and 5 percentage points lower than control group levels. Jobs-First GAIN reduced welfare outlays in the first year of follow-up, with average savings (relative to the control group) of $432, or 7 percent, for single parents (AFDC-FGs) and $667, or 10 percent, for members of two-parent families (AFDC-Us). Jobs-First GAIN produced similar reductions in Food Stamp receipt and payments as in AFDC/TANF for both AFDC-FGs and AFDC-Us.

- **Jobs-First GAIN helped welfare recipients replace welfare dollars with earnings, but their overall income remained about the same.** Earnings gains for single parents (AFDC-FGs) and members of two-parent families (AFDC-Us) were matched by reductions in AFDC/TANF and Food Stamp payments. As a result, Jobs-First GAIN did not increase combined income from these sources during the first year of follow-up.

- **Jobs-First GAIN achieved larger employment and earnings gains than the county's previous, basic-education-focused program.** Welfare administrators changed the program's self-sufficiency approach from emphasizing skill-building to emphasizing rapid entry into jobs. First-year results demonstrate that the current program was more effective in helping welfare recipients find employment. Though successful, Jobs-First GAIN did not achieve as strong results as two previously evaluated Work First programs operated in neighboring Riverside County. The more positive results for the Riverside

programs could have been caused by differences in the program environments, however.

- **Jobs-First GAIN achieved positive effects for many different types of welfare recipients. The degree of consistency achieved by the program is unusual and impressive.** The program increased employment and reduced welfare payments for recipients in the central city and outer regions of Los Angeles County, for different racial and ethnic groups, for recipients with the most serious barriers to employment (no high school diploma or GED — high school equivalency — certificate, no recent work experience, and lengthy prior welfare receipt) as well as for those facing fewer barriers to employment. The program also achieved earnings gains for most of these groups.

- **Jobs-First GAIN also achieved positive results for welfare recipients who volunteered to enter the program early.** Los Angeles County lacked funding to serve all welfare recipients required to participate. The agency developed a waiting list for services but also invited some welfare recipients to enter the program several months or more before their name reached the top of the list. Results of the Jobs-First GAIN Evaluation show that welfare-to-work programs can pay off for recipients who volunteer for services: In year 1, the program increased employment and earnings by 14 percentage points and over $1,000 respectively and reduced AFDC/TANF payments by 8 percent.

II. Key Features of the Los Angeles Program

In response to the 1996 law, most states and localities are implementing some kind of Work First approach, with the central focus on rapid employment. Los Angeles's version — put in place prior to the federal law — has a number of features that together represent serious investments in the program.

- **Communicating a strong Work First message.** Welfare administrators have stated clearly that the goal of the program is to move people to employment as rapidly as possible. This philosophy is communicated to program enrollees through written handouts and group presentations, and in individual meetings with program staff.

- **Warning enrollees that time-limited welfare is coming and urging them to get a job right away to preserve their eligibility for assistance.** Even before the federal welfare reform legislation was enacted in August 1996, program staff were informing new enrollees that the federal government and the State of California would limit welfare eligibility, possibly to two years, and encouraging them to find work in order to avoid the expected cuts in welfare. As one agency flyer put it:

> Everyone will be expected to work. . . . These changes could occur as early as 1996. It is critical that you prepare now for these social changes.

Work experience is the best training. Remember: "WORK IS IN, WELFARE IS OUT."

The message was repeated during program activities, such as job club (group sessions in which people get assistance in looking for work), and in meetings between enrollees and program staff.

- **Operating an unusually intensive program orientation.** All new enrollees attend a six-hour-long group orientation session, followed by an individual appraisal meeting with a case manager during their first day in the program. In contrast, most other welfare-to-work programs, including some that share Los Angeles County's Work First philosophy, run much shorter orientations. Further, staff in other programs use most of the available time to collect background information on new enrollees and to assign enrollees to their first employment-related activity. Orientation meetings aim to change recipients' perceptions of Jobs-First GAIN, to present them with the Jobs-First program's message, and to increase their self-esteem — particularly with regard to their ability to find work. At the appraisal meetings, case managers convey their expectation that enrollees will be working soon. They also discuss the availability of transitional child care and medical insurance for participants who leave welfare for employment.

- **Providing high-quality job search assistance.** As described below, the vast majority of those who actively participated in Jobs-First GAIN attended job clubs. Well-trained staff from the Los Angeles County Office of Education run these services at 15 Job Centers around the county, and — along with Jobs-First GAIN staff — monitor participants' progress. Jobs-First GAIN's job clubs provide instruction in many of the skills needed to obtain employment, including finding job openings, writing a résumé and job application, and conducting a job interview. Job club participants then conduct up to two weeks of supervised job search, using agency phone banks, job listings, and assistance from program staff. These features are typical of job clubs in many other programs. Jobs-First GAIN's job clubs, however, also feature a strong motivational component. The message and a specially developed curriculum are upbeat, stressing how work can lift self-esteem and that a low-paying first job can lead to a better one in the future. In addition, GAIN job developers aggressively develop linkages to local employers and match enrollees to specific job openings. These efforts go considerably beyond what is traditionally offered in job search activities.

  Jobs-First GAIN offered short-term basic education and vocational training classes as well, but assigned few enrollees to these activities. The program also made limited use of unpaid work experience jobs.

- **Using job development activities to support enrollees' job search efforts.** Each Jobs-First GAIN office has job developers who cultivate relationships with local employers and create lists of job positions. Job developers then try to match enrollees to available job openings, based on enrollees' prior experi-

ence and interests. Job developers begin working with enrollees during orientation and appraisal, and continue assisting their job search efforts during job club and other program components. Job developers also arrange and host job fairs for clients — weekly "mini" job fairs with one or two employers, plus larger quarterly job fairs with numerous employers. One office even experimented with having its job developers work on a one-on-one basis with program enrollees who had received a financial sanction for noncompliance with program requirements.

- **Demonstrating that work pays.** As noted above, California's "Work Pays" rules for calculating welfare grants allowed many recipients to combine work and welfare. Using waivers granted by the U.S. Department of Health and Human Services, Work Pays increased, above national standards, the amount of earnings that the welfare department "disregarded" (did not count) when calculating welfare grants. As a result, most welfare recipients who combined work and welfare could receive hundreds of dollars per month in income above what they would have received from welfare alone. Work Pays became part of the Jobs-First GAIN strategy for convincing people to find employment as quickly as possible, even if available jobs paid little. Jobs-First GAIN staff made a concerted effort to explain the financial benefits of Work Pays to experimental group members. Staff walked new enrollees through several examples of grant calculations during program orientation motivational sessions and repeated this message during job clubs and other employment-related activities. Control group members were also eligible for Work Pays financial incentives, although they did not receive this message from Jobs-First GAIN staff. Possibly, as a result, fewer control group members may have been motivated to find employment than if they had received this reinforced message.

- **Running a relatively tough, enforcement-oriented program.** Jobs-First GAIN case managers made frequent use of the program's formal enforcement procedures, including threats to reduce welfare grants, to encourage enrollees to participate in program activities or show good cause why they could not. As discussed in the report, the vast majority of program enrollees received at least one warning that they were out of compliance with program rules. About one in five incurred a grant reduction (sanction). Program administrators intended that a "high enforcement" case management approach and a strong pro-employment message would complement the program's high-quality, motivational job clubs. Together, these components of Jobs-First GAIN's approach encouraged enrollees to find work quickly and discouraged them from spending a long time in the program.

III. The Research Sample and Program Environment

The research sample for the evaluation includes 20,731 AFDC-FGs and AFDC-Us, randomly assigned between April 1 and September 11, 1996, when they showed up at a Jobs-First GAIN office for their scheduled program orientation. During the evaluation, DPSS followed the

eligibility criteria written into the federal Family Support Act of 1988 (FSA) when determining which recipients had to enroll in Jobs-First GAIN. According to the FSA, any single-parent AFDC recipient whose youngest child was age three or over and who did not meet certain exemption criteria was mandated to participate in a welfare-to-work program. Exemption reasons included having a disabling illness, being employed full time (30 hours or more per week), living in a remote area that made program activities inaccessible, or being in at least the second trimester of pregnancy. These eligibility criteria also pertained to members of AFDC-U cases, except that parents of children under three were also required to enroll. Further, DPSS required both parents on an AFDC-U case to enroll in Jobs-First GAIN, an option given to states and localities under the FSA.

DPSS did not have the resources to serve all welfare recipients mandated to participate. The agency therefore implemented a targeting strategy. Prior to the start of the evaluation, DPSS reserved nearly all places in Jobs-First GAIN for people identified by the federal Family Support Act of 1988 as having the greatest risk of remaining on welfare for many years. DPSS gave highest priority to those who had received welfare continuously for at least three years.

Anticipating the start of the evaluation, DPSS decided to change its targeting strategy so that the evaluation could determine the effect of the Jobs-First GAIN approach on a broad cross section of the welfare caseload and on various types of welfare recipients. To do this, DPSS administrators implemented a complex selection and weighting procedure. The resulting sample, which included nearly everyone who came into the program between April and early September 1996, was drawn from specific groups in the caseload and, in very broad terms, appears to reflect the diversity of the mandatory caseload. The sample differs from the full Jobs-First GAIN mandatory caseload in having a substantially smaller percentage of persons experiencing a very long spell — at least five years — on welfare and by not including teen parents and a few other groups.

The sample includes 15,683 single parents (AFDC-FGs) and 5,048 members of two-parent families (AFDC-Us). It includes welfare recipients who inhabit the inner-city neighborhoods of Los Angeles, as well as the outlying suburbs. The sample is large and diverse, by race and ethnicity, by age and family size, and according to several indicators of relative disadvantage in the labor market. Among AFDC-FG sample members, Hispanics form the largest ethnic group (45 percent); about 31 percent are African-Americans; 17 percent are non-Hispanic whites; and 6 percent are Asians. Just over half of all the AFDC-FGs had at least one preschool-age child (under the age of six), for whom child care would have been needed. Nearly 20 percent of AFDC-U sample members are Asians (primarily Indochinese), and about half the AFDC-Us had limited English proficiency. The AFDC-U group also contains a larger percentage of non-Hispanic whites (many of them recent immigrants from Armenia) and a much smaller percentage of African-Americans compared to AFDC-FGs. Further, the AFDC-U sample members had, on average, more children on their cases than did the AFDC-FG sample members (2.4 versus 2.0, respectively).

A large majority of AFDC-FG and AFDC-U sample members faced one or more serious barriers to employment at the time of random assignment: Fewer than half of each group had graduated from high school or received a GED certificate; about 60 percent had not worked for pay in the prior three years; and about 70 percent had received welfare for at least two years. Other members of the research sample faced fewer barriers to employment: About 30 percent of

AFDC-FGs and AFDC-Us were newly approved applicants for assistance or had received assistance for less than two years, and more than a quarter of each group had worked for pay in the year before random assignment.

A key task of the evaluation is to analyze whether Los Angeles County's Work First approach benefited many types of recipients or primarily certain groups within the caseload. Key subgroups for analysis include:

- inhabitants of different geographic areas of the county;
- members of different racial and ethnic groups;
- people who entered the program with a high school diploma or a GED certificate and nongraduates;
- short- and longer-term welfare recipients;
- those with and without recent work histories;
- persons with multiple barriers to employment (for example, no high school diploma or GED certificate, no recent work history, and long-term welfare receipt);
- among AFDC-FGs, "early" and "regular" enrollees;
- among AFDC-Us, men and women.

The last two comparisons address specific questions on DPSS's strategy for targeting services to particular types of welfare recipients. As discussed above, DPSS lacked funding to serve all welfare recipients mandated to participate in Jobs-First GAIN. In response, DPSS placed recipients on a waiting list, which was ordered according to recipients' length of time on AFDC, as well as other background characteristics. Most enrollees in Jobs-First GAIN entered the program after reaching the top of the waiting list and receiving a notice from DPSS informing them that a place in the program had become available. These persons are called "regular enrollees." Other enrollees asked DPSS to let them enter the program "early," that is, before they reached the top of the waiting list. (Both "early enrollees" and "regular enrollees" were subject to Jobs-First GAIN's mandatory participation requirements and could incur a reduction in their welfare grant — a sanction — for noncompliance.) Including early enrollees in a random assignment study of Jobs-First GAIN allows the evaluation to address a long-standing issue for welfare reform: When funds are scarce, should welfare-to-work programs target recipients who show the highest motivation to participate?

Most previous studies of AFDC-Us in welfare employment programs focused only on household heads (usually men). In contrast, the AFDC-U group in this evaluation consists of both primary wage-earners (usually men) and second parents (usually women). The research design, however, permitted only one adult member of an AFDC-U household to be included in the research sample: the first person to show up for a program orientation during the sample intake period. Nearly half of the AFDC-Us in the sample are women. Thus, the evaluation provides an unusual opportunity to learn about program effects on women in two-parent cases. (What little research exists indicates that female AFDC-U recipients have scant prior earnings, and also have

tended not to benefit as much from welfare-to-work programs as their male counterparts.) In addition, the Jobs-First GAIN Evaluation began after California received a federal waiver eliminating regulations that terminated an AFDC-U case if the primary wage-earner worked 100 hours or more in a month. Thus, studying the employment and earnings effects for AFDC-U men (usually the primary wage-earners) will provide needed information on the long-term impact of the elimination of the "100-hour rule."

A. Additional Background Information

Labor market conditions have been improving in Los Angeles County during the evaluation period — employment levels have risen, and unemployment has declined. Still, the county's unemployment rate is higher than the national average. Further, within the county, unemployment rates vary considerably. For example, unemployment rates in South-Central and East Los Angeles — communities where more than 90 percent of the residents are either African-Americans or Hispanics — still hover over 10 percent (3 percentage points above the county average).

County AFDC/TANF caseload numbers followed the trends in employment figures. As of July 1996, Los Angeles County had about 306,000 cases; two years later, the number declined to 245,000. California has reduced grant levels by nearly 7 percent since the evaluation began, although the state's welfare grant levels remain well above the national average.

IV. The Policy Context of the Evaluation: Comparing the Effects of Jobs-First GAIN to Those of Other Programs

Launched in 1988, the original Los Angeles GAIN program, in keeping with statewide directives, placed a strong emphasis on upfront basic education. Working only with long-term welfare recipients, the program assigned most of them to adult basic education (remedial English and math), GED test preparation, or English as a Second Language classes; relatively few were assigned to job search activities.

A large-scale evaluation MDRC conducted of the GAIN program in Los Angeles and five other counties found that Los Angeles GAIN had incurred substantial per capita costs but had produced little gain in participants' earnings and only modest savings in welfare expenditures. Los Angeles GAIN staff voiced frustration over the program's shortcomings: Enrollees were neither completing their education activities nor finding jobs. In contrast, the GAIN program in neighboring Riverside County had achieved unprecedented earnings gains, large reductions in welfare payments, and substantial savings to government budgets. Riverside GAIN used a mixed-services approach. The program assigned a large percentage of people to job club (usually as their first activity), used job development to support their job search efforts, maintained job placement goals for program staff, and communicated a strong and pervasive message that encouraged people to find work as soon as possible. In keeping with statewide directives, Riverside GAIN also offered basic education instruction to welfare recipients determined at program entry to have no high school diploma or GED certificate, limited literacy or math skills, or limited ability to read and speak English. The program discouraged long stays in basic education, however, and transferred participants with poor attendance to job club.

DPSS administrators decided to revamp their program along the lines of successful Work First programs such as Riverside's. Administrators adopted most of the prominent features of Riverside GAIN (except its job placement goals for program staff), but put a greater emphasis on building welfare recipients' self-esteem and motivation to find work. DPSS completed this process by the end of 1995, changing the name of its program to Jobs-First GAIN to emphasize the program goal of moving large numbers of recipients rapidly into jobs. That same year, California stopped requiring county welfare-to-work programs to assign any welfare recipients to basic education. This change allowed DPSS to implement a more strongly job-search-oriented program than Riverside GAIN.

A key question for the evaluation is whether Los Angeles County's Work First program did a better job of helping welfare recipients find work and leave welfare than the county's previous, basic-education-focused program. The evaluation also considers whether Jobs-First GAIN attained positive effects similar in magnitude to those achieved by Riverside GAIN during the late 1980s and early 1990s. As discussed above, Riverside GAIN represents a different version of a Work First program because (in accordance with state GAIN rules at the time) it assigned a higher percentage of welfare recipients to basic education. Finally, the evaluation compares program impacts to those achieved by a later version of Riverside's Work First program, called Labor Force Attachment (or LFA). Operated during the early-to-mid 1990s, as part of the National Evaluation of Welfare-to-Work Strategies, the Riverside LFA program, like Jobs-First GAIN, assigned most enrollees to job club and relatively few to education and training. These comparisons are performed with subsamples of AFDC-FGs who share similar background characteristics.

V. Findings on Program Implementation and Participation

- **Jobs-First GAIN exposed all enrollees to a strong Work First message. The program did not achieve high levels of participation in employment-related activities that took place after program orientation.**

This report follows the analytical framework used in previous MDRC studies of participation patterns in welfare-to-work programs. It defines participation as attendance for at least one day at an employment-related activity, but does not count program orientations, appraisals, or other meetings with Jobs-First GAIN staff in calculations of participation levels. This definition of participation assumes that program enrollees who take part in activities such as short-term job clubs or longer-term education and training courses receive the strongest exposure to the program "treatment." For Jobs-First GAIN, however, the distinction between attendance at a program activity and a meeting with program staff is not clear-cut. *All* experimental group members attended a long informational and motivational meeting at orientation during which program staff strongly communicated the program's Work First message. In addition, experimental group members could receive job leads from program staff during orientation or appraisal, or at any time afterwards. Thus, using a more inclusive definition of what constitutes a program activity, one could conclude that 100 percent of experimental group members participated.

Relatively few experimental group members participated in an employment-related activity during the first year after orientation: 38 percent of AFDC-FGs and 30 percent of AFDC-Us (see Figure 1). Nearly all participants in program activities attended job club — a service of-

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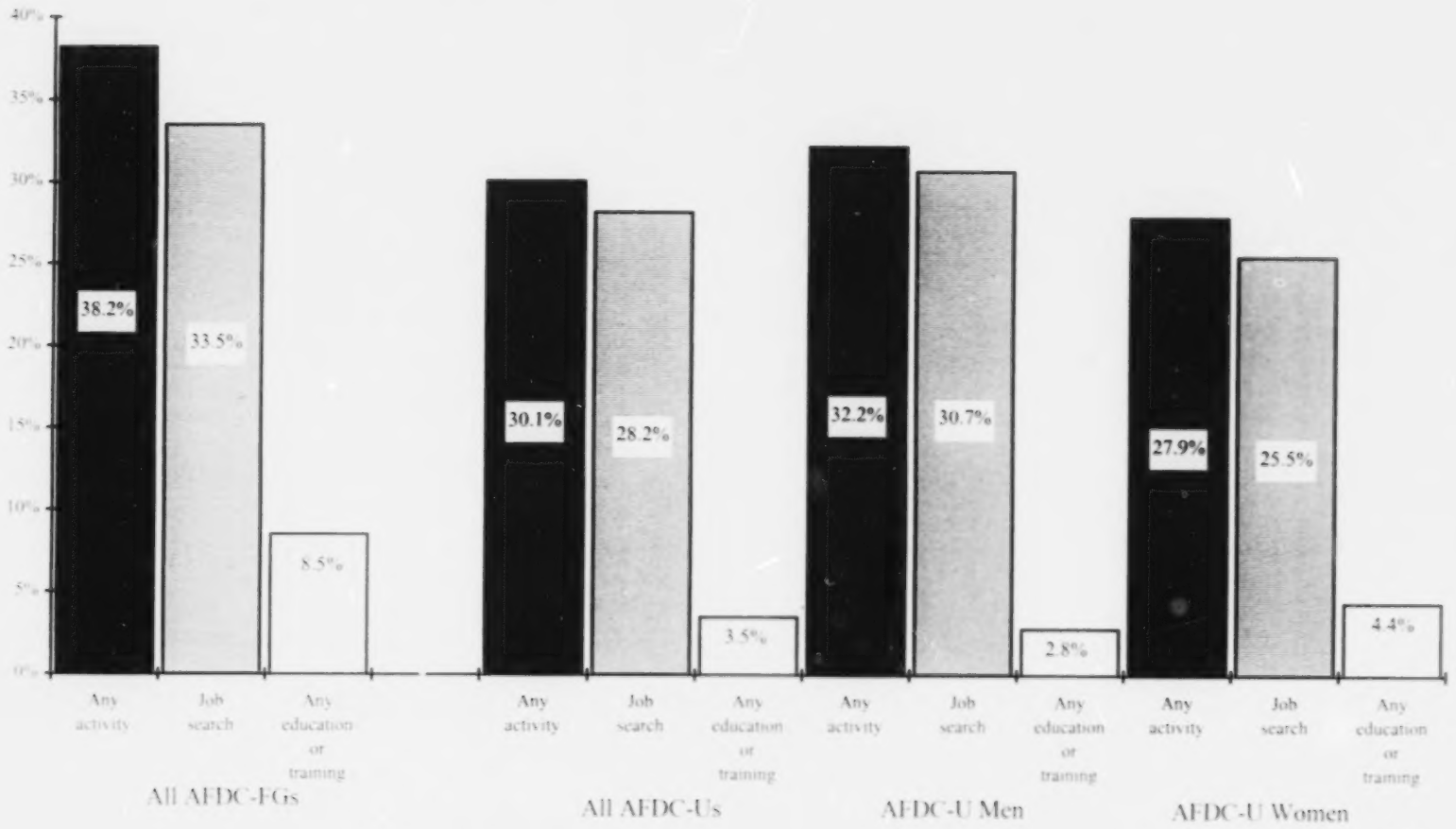
Figure 1
Rates of Participation for All AFDC-FGs, All AFDC-Us, and AFDC-U Men and Women



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ten emphasized in Work First programs. Participation was usually short term. Most participants attended job club only, and most job club attenders took part in only one three-week session.

- **Participation frequently led to employment.**

About two-thirds of AFDC-FG and AFDC-U experimental group members who participated in an employment-related activity (hereafter referred to as "participants") found a job during the first year.[1] Employment levels, however, exceeded by a wide margin the rate at which participants exited AFDC/TANF. These findings suggest that most former job club participants were combining work and welfare. The vast majority of AFDC-FG and AFDC-U participants were deregistered from the program during the first year — that is, they became no longer required to participate. About half entered this status because they were employed 30 or more hours per week.

- **Many nonparticipants also found work or were no longer required to participate in the program.**

As noted above, most experimental group members did not participate in a Jobs-First GAIN activity after orientation. Low participation rates, however, do not mean that the program did not affect people, because even nonparticipants received some exposure to the program's Work First message and information on California's Work Pays incentives. In this way, the program may have directly or indirectly encouraged nonparticipants to find a job on their own initiative, contributing to the program's overall effects on employment and welfare receipt. Moreover, DPSS administrators have asserted that Jobs-First GAIN's mandatory participation requirements encourage experimental group members who started working before orientation to report their employment to program staff.

Among both AFDC-FGs and AFDC-Us, just under half of the nonparticipants found a job during the first year of follow-up, based on statewide Unemployment Insurance (UI) earnings records. Strikingly, a much higher percentage — more than five out of every six AFDC-FG and AFDC-U nonparticipants — were deregistered by program staff, mostly for reasons other than employment (for example, long-term illness or disability, marriage, birth of a child, or incurring a financial sanction). Jobs-First GAIN staff learned of and reacted to changes in the circumstances of nearly every nonparticipant. Almost no one in the experimental group was "lost in the system."

The findings on employment for nonparticipants suggest that the program's message and mandates may produce positive results beyond those achieved through attendance in job club. It should also be kept in mind, however, that employment levels of nonparticipants fell below those of program participants. Possibly, Jobs-First GAIN could have achieved greater employment overall through additional investments in staffing and development of case management strategies designed to increase participation in job club.

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[1]Sections VI and VII compare employment levels for all experimentals (participants and nonparticipants) with people in the control group and thus provide a more complete and accurate measure of the program's success.

- **Jobs-First GAIN case managers made extensive use of the program's enforcement procedures, although the process only sometimes resulted in imposition of a financial sanction.**

Jobs-First GAIN staff initiated formal enforcement proceedings for about 70 percent of AFDC-FGs and AFDC-Us during the first year of follow-up. Reasons for commencing the "conciliation" process (as DPSS terms it) include nonattendance at an assigned activity or scheduled meeting with Jobs-First GAIN staff. Some experimental group members also entered conciliation status during their initial appraisal meeting following random assignment, when they refused to accept an assignment to job club.

About 23 percent of AFDC-FGs and 17 percent of AFDC-Us incurred a reduction in their welfare check (a sanction) during the first year of follow-up (compared to fewer than 10 percent in the earlier Los Angeles GAIN and Riverside GAIN programs). These rates are similar to those found for some other employment-focused welfare-to-work programs of the 1990s. Not surprisingly, Jobs-First GAIN staff were particularly likely to impose sanctions on nonparticipants.

- **Participation levels varied by subgroup.**

As might be expected, early enrollees among the AFDC-FGs (people who asked to enter the program before they were required to do so) were much more likely to participate in employment-related activities than regular enrollees (people who waited until their regularly scheduled assignment to Jobs-First GAIN). Participation levels were the same for AFDC-FGs with and without a high school diploma or a GED certificate at random assignment. Among AFDC-Us, however, experimental group members who had not graduated from high school (or received a GED certificate) recorded higher levels of participation. A larger proportion of AFDC-U men than women participated in Jobs-First GAIN. Among both AFDC-FGs and AFDC-Us, participation levels for African-Americans and Hispanics exceeded the rates for whites and Asians.

VI. Impact Findings for AFDC-FGs

The next two sections discuss the effects, or impacts, of Jobs-First GAIN on employment, earnings, and welfare receipt. Impacts were estimated in two steps. First, for each outcome measure, separate averages were calculated for the experimental and control groups. These calculations included all members of each research group, and controlled for differences in members' background characteristics, such as prior educational attainment, that may have affected their chances of finding and keeping a job. Second, the control group average was subtracted from the experimental group average. The difference represents the added value, or *impact*, of Jobs-First GAIN's combination of services, messages, and mandatory participation requirements.

- **In the first year of follow-up, Jobs-First GAIN produced employment and earnings gains for AFDC-FGs.**

Because of their employment focus, Work First programs are expected to produce gains in employment and earnings early in the follow-up period. Jobs-First GAIN met this expectation. Table 1 shows that 54 percent of AFDC-FG experimental group members worked for pay at some point during year 1, versus 43 percent of control group members — a large increase of 11 percentage points. On average, control group members earned $2,438 in year 1, whereas experi-

mental group members earned an average of $3,187 — a gain of $750, or 31 percent. (These averages include zeros for those not working during year 1.) As expected of a Work First program, the program increased earnings primarily by putting to work recipients who would not have found jobs on their own. Jobs-First GAIN attained only small increases in the number of quarters of employment or in average earnings per quarter for experimental group members who found a job (not shown in table).

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Table 1
Impacts on Employment, Earnings, AFDC/TANF, and Food Stamps, for AFDC-FGs and AFDC-Us in the Full Sample

Outcome	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
AFDC-FGs				
Ever employed in year 1 (%)	54.2	43.3	10.9 ***	25.1
Total earnings in year 1 ($)	3,187	2,438	750 ***	30.8
Received AFDC/TANF in quarter 5 (%)	78.2	82.5	-4.3 ***	-5.2
Total AFDC/TANF payments in year 1 ($)	5,363	5,795	-432 ***	-7.5
Received Food Stamps in quarter 5 (%)	76.4	80.1	-3.8 ***	-4.7
Total Food Stamps in year 1 ($)	2,005	2,179	-174 ***	-8.0
Sample size (total = 15,683)	11,521	4,162		
AFDC-Us				
Ever employed in year 1 (%)	53.6	41.6	11.9 ***	28.6
Total earnings in year 1 ($)	3,538	2,455	1,082 ***	44.1
Received AFDC/TANF in quarter 5 (%)	77.3	82.7	-5.4 ***	-6.5
Total AFDC/TANF payments in year 1 ($)	6,180	6,847	-667 ***	-9.7
Received Food Stamps in quarter 5 (%)	77.7	83.3	-5.6 ***	-6.7
Total Food Stamps in year 1 ($)	2,449	2,759	-310 ***	-11.2
Sample size (total = 5,048)	4,039	1,009		

NOTES: The quarter of random assignment, quarter 1, may contain some earnings, AFDC/TANF payments, or Food Stamp payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Unless shown in italics, dollar averages include zero values for sample members not employed and for sample members not receiving welfare.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the experimental and control groups. Statistical significance levels are indicated as: * = 10 percent, ** = 5 percent, and *** = 1 percent.

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Quarterly employment rates for experimental group members moved up during year 1, but the experimental-control group difference in employment grew somewhat smaller over time. This decrease in impacts occurred because larger numbers of control group members found jobs, a phenomenon known as control group "catch-up." Jobs-First GAIN continued to achieve earnings gains at the end of year 1. Additional follow-up is needed to determine whether impacts will be sustained over the long term. Some previously evaluated Work First programs that produced large gains early on showed diminishing impacts in year 2.

- **Jobs-First GAIN reduced AFDC/TANF expenditures and receipt in the first year of follow-up.**

During year 1, experimental group members received cash assistance for about half a month less, on average, than control group members (not shown in table). Average welfare payments decreased by $432, or 7 percent (see Table 1). Percentage reductions in welfare payments grew larger over the course of follow-up, suggesting that the program will continue to produce savings in year 2. While most of the AFDC/TANF savings resulted from reductions in the number of months an individual received welfare, a substantial portion of the savings were accounted for by reduced welfare payment amounts in months when individuals were still receiving welfare. It is likely that California's Work Pays financial incentives, which encouraged people to combine work and welfare in the short term, and Jobs-First GAIN's relatively high sanction rate contributed to this outcome.

A year after random assignment, 83 percent of control group members were still on welfare. Jobs-First GAIN reduced this proportion to 78 percent, an impact of 4 percentage points (see Table 1). These findings, while positive, suggest that DPSS will face a significant challenge in moving large numbers of recipients off assistance after they complete their second year of welfare receipt. Under CalWORKs (California's current welfare program), most recipients who reach a two-year time limit without a job will be required to participate in community service.

- **At the end of the first year of follow-up, the increase in the percentage working and off AFDC/TANF was small; the great bulk of the employment gain resulted from more people combining work and welfare.**

Figure 2 illustrates how Jobs-First GAIN affected self-sufficiency; it breaks down the experimental and control groups into four categories based on employment and AFDC/TANF status at the end of year 1. As shown, Jobs-First GAIN reduced the proportion of sample members in the most dependent group — those who were jobless and on welfare — by 9 percentage points, from 59 to 50 percent. The program raised employment levels at the end of the first year of follow-up by 7 percentage points, but most of the increase is attributable to experimental group members' combining work and welfare (a gain of 5 percentage points). Jobs-First GAIN only slightly increased the percentage of recipients employed and off cash assistance. California's relatively high welfare grants and Work Pays financial incentives helped produce these results. Earnings for employed experimental group members reduced the size of their welfare grants, but usually did not end their eligibility for assistance.

- **The program produced first-year reductions in Food Stamp receipt and expenditures that were similar in magnitude to the reductions in AFDC/TANF.**

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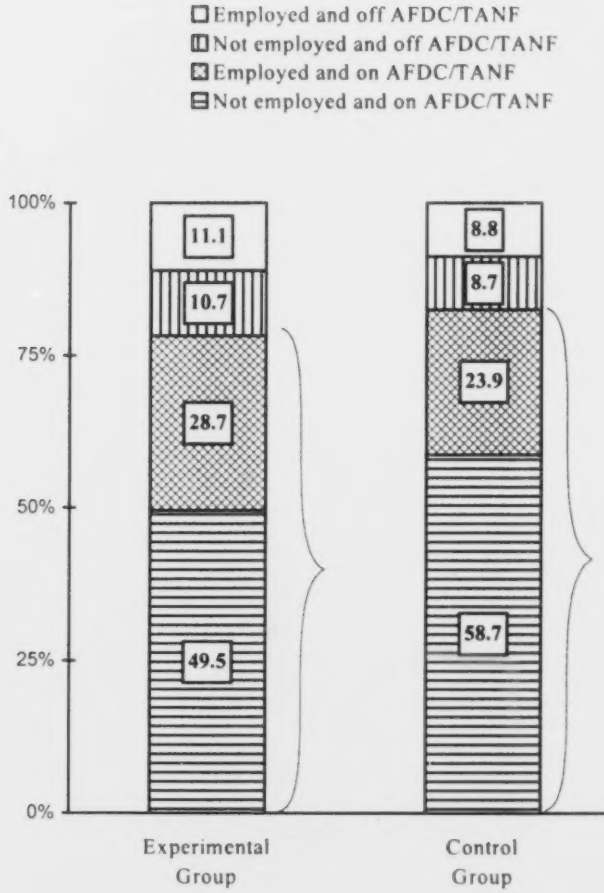
Figure 2

Employment and AFDC/TANF Status at the End of Year 1 For AFDC-FGs



NOTES: The bracketed area represents the proportion of sample members on AFDC/TANF at the end of year 1.
Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

In the year following random assignment, control group members received Food Stamps for approximately the same amount of time that they were on welfare: a little over 10 months. Jobs-First GAIN reduced the length of Food Stamp receipt by as much as it reduced the length of AFDC/TANF receipt: about two weeks (results not shown).

Total Food Stamp expenditures for control group members averaged $2,179 in year 1. (See Table 1.) In comparison, the typical Jobs-First GAIN enrollee received $2,005 in Food Stamps — a decrease of $174, or 8 percent (about the same size as the percentage reductions in AFDC/TANF payments).

- **During year 1, losses in public assistance largely offset earnings gains, so Jobs-First GAIN had little effect on experimental group members' combined income from earnings, AFDC/TANF, and Food Stamps.**

Previous research shows that Work First programs that, like Los Angeles's, assign nearly all enrollees to job search first tend to replace welfare dollars with earnings but leave families with about the same amount of income. Jobs-First GAIN produced such results in year 1. Experimental group members gained $750 in average earnings during year 1, but lost $606 in average AFDC and Food Stamp payments. Their net increase in combined income relative to control group members totaled just $144 (1 percent, not statistically significant) above the control group average of $10,411.

- **Through its substantial employment gain and moderate earnings increase, Jobs-First GAIN outdid its predecessor, Los Angeles GAIN, which produced little-to-no first-year impacts on these measures. The program did not achieve as strong results as Riverside GAIN and Riverside LFA, but this disparity may have stemmed from differences in program environments.**

Table 2 illustrates how first-year impacts for single parents in Los Angeles's Jobs-First GAIN compare to first-year impacts for single parents in three previously evaluated programs. Each result displayed in the table was calculated in several steps. First, to make results comparable across sites, demographically similar subsamples from each of the comparison programs and from Jobs-First GAIN were selected. Second, for each of these subsamples, experimental-control group differences, or impacts, were estimated on measures of employment, earnings, and welfare expenditures during the first year of follow-up and on welfare receipt at the end of year 1. (All dollar impacts were converted to 1996 dollars.) Next, impacts estimated for each of the three comparison programs were subtracted from the corresponding impacts estimated for Jobs-First GAIN. Table 2 presents these differences. For measures of employment and earnings, a difference greater than zero indicates that Jobs-First GAIN produced a larger increase than the comparison program. For measures of welfare payments and receipt, however, a positive difference conveys a different meaning: that Jobs-First GAIN was less effective than the comparison program because its welfare reduction was smaller. Differences in impacts were tested for statistical significance. In Table 2, stars next to a difference indicate that it achieved statistical significance. Lack of statistical significance means that the impact of Jobs-First GAIN was essentially the same as the impact of the comparison program.

Table 2
Comparison of Los Angeles Jobs-First GAIN Impacts to Los Angeles GAIN, Riverside GAIN, and Riverside LFA Impacts

	Difference Between Jobs-First GAIN Impact and Comparison Program Impact			
	Ever Employed in Year 1 (%)	Average Total Earnings in Year 1 ($)	Average Total AFDC/TANF Payments in Year 1 ($)	Received AFDC/TANF in Quarter 5 (%)
LA GAIN Comparison	8.6 ***	761 ***	-17	-0.8
Riverside GAIN Comparison	-6.2 ***	-548 **	441 ***	2.8
Riverside LFA Comparison	-7.4 ***	-108	265 ***	2.2

NOTES: The quarter of random assignment, quarter 1, may contain some earnings or AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Dollar averages include zero values for sample members not employed and for sample members not receiving welfare.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating differences.

A two-tailed t-test was applied to differences between impacts for the demographically comparable subsamples. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

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Table 2 shows that the Jobs-First GAIN program was more successful than the original Los Angeles GAIN program. Jobs-First GAIN's first-year employment increase was 9 percentage points larger than that of the earlier program, and its earnings gain was $761 larger. In contrast, the two programs produced similar impacts on welfare payments and receipt. These results indicate that a Work First program can be more effective than a basic-education-focused program in a major metropolitan area.

Jobs-First GAIN's first-year employment and earnings impacts fell short of Riverside GAIN's unusually strong results by 6 percentage points and $548, respectively (see Table 2). In addition, Riverside GAIN reduced welfare payments by $441 more than Jobs-First GAIN. Decreases in the proportion on welfare at the end of year 1 were similar for the two programs.

Like Riverside GAIN, Riverside LFA produced an unusually large impact on employment, which exceeded Jobs-First GAIN's by 7 percentage points. Both programs, however, produced similar increases in average earnings. Riverside LFA was somewhat more effective than Jobs-First GAIN (by $265) in lowering welfare expenditures. Both programs reduced welfare receipt at the end of year 1 by about the same amount.

It is unclear whether differences between the impacts of Jobs-First GAIN and those of the two Riverside programs resulted from differences in the way the programs were implemented or because of other factors, such as differences in their program environments (Los Angeles County is a large urban center, whereas Riverside County is exurban) or in unobservable characteristics of their sample members.

- **Jobs-First GAIN benefited a broad cross section of the welfare caseload, producing impacts for recipients with the most as well as the fewest barriers to employment, for people of different racial and ethnic backgrounds, and for recipients in all parts of Los Angeles County. Such consistency of impacts is not always found among Work First programs.**

Jobs-First GAIN produced impacts for subgroups that are typically considered the least job ready: the "nongraduates" (those who lacked a high school diploma or a GED certificate when they were randomly assigned to the experimental or control group), those who did not work for pay in the year prior to random assignment, and the "most disadvantaged" recipients. (These subgroups are not mutually exclusive.) The latter subgroup contains nongraduates who did not work in the year prior to random assignment and who had received welfare payments for at least two years cumulatively before random assignment. They face more barriers to employment than any other subgroup examined in this study.

It is particularly important to learn how Jobs-First GAIN affects nongraduates because there has been uncertainty about whether it is worthwhile to encourage recipients with low educational attainment to take a job right away. In Jobs-First GAIN, about 40 percent of nongraduates attended job club, but only 10 percent attended education or training classes. In contrast, in a basic-education-focused program like the previous GAIN program in Los Angeles or in a Work First "mixed services" program like Riverside GAIN, these recipients most likely would have attended an education or training activity first, as opposed to a job search activity. As shown in Table 3, Jobs-First GAIN raised employment and earnings and decreased welfare payments and

Table 3
Program Impacts on Employment, Earnings, and AFDC/TANF Payments and Receipt for Selected Subgroups of AFDC-FGs

Region and Subgroup	Sample Size	Ever Employed in Year 1: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Average Total Earnings in Year 1: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Full sample	15,683	54.2	43.3	10.9 ***	25.1	3,187	2,438	750 ***	30.8
Regular enrollee	12,441	53.0	43.0	10.0 ***	23.4	3,167	2,493	674 ***	27.0
Early enrollee	3,242	58.6	44.5	14.1 ***	31.8	3,265	2,224	1,041 ***	46.8
San Fernando Valley (Region 2)	2,843	55.4	44.8	10.6 ***	23.7	3,393	2,539	854 ***	33.6
San Gabriel Valley (Region 3)	3,990	56.0	42.6	13.3 ***	31.2	3,247	2,420	827 ***	34.2
Central (Region 4)	2,526	51.3	38.9	12.5 ***	32.0	2,717	1,953	765 ***	39.2
Southern (Region 5)[a]	3,522	53.1	46.9	6.3 ***	13.3	3,191	2,672	518 ***	19.4
Southeastern (Region 6)	2,802	54.4	41.3	13.2 ***	31.9	3,338	2,445	893 ***	36.5
White	2,715	50.1	41.9	8.2 ***	19.6	3,030	2,385	645 ***	27.0
African-American	4,891	55.8	48.1	7.6 ***	15.9	3,348	2,698	650 ***	24.1
Hispanic	7,079	55.9	41.8	14.1 ***	33.6	3,260	2,316	944 ***	40.8
Asian	872	44.8	31.1	13.7 ***	44.0	2,358	1,628	730 ***	44.8
Has a high school diploma or GED	7,168	59.6	49.5	10.0 ***	20.2	4,033	3,253	780 ***	24.0
Does not have a high school diploma or GED	8,515	49.6	38.0	11.7 ***	30.7	2,475	1,750	725 ***	41.4
Applicant	561	59.4	46.9	12.6 **	26.8	3,701	3,716	-15	-0.4
Short-term recipient	3,699	59.0	47.9	11.2 ***	23.3	4,062	3,393	669 ***	19.7
Long-term recipient	11,423	52.4	41.4	10.9 ***	26.4	2,877	2,067	810 ***	39.2
Employed in year prior to random assignment	5,704	75.8	70.1	5.7 ***	8.1	5,277	4,639	638 ***	13.8
Not employed in year prior to random assignment	9,979	41.8	27.8	14.1 ***	50.7	1,991	1,176	815 ***	69.3
Most disadvantaged[b]	4,750	38.8	23.9	15.0 ***	62.7	1,590	806	784 ***	97.3

(continued)

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Table 3 (continued)

Region and Subgroup	Sample Size	Average total AFDC/TANF payments in year 1: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Received AFDC/TANF in quarter 5: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Full sample	15,683	5,363	5,795	-432 ***	-7.5	78.2	82.5	-4.3 ***	-5.2
Regular enrollee	12,441	5,370	5,787	-417 ***	-7.2	78.3	82.9	-4.6 ***	-5.6
Early enrollee	3,242	5,335	5,826	-490 ***	-8.4	78.0	81.2	-3.2	-3.9
San Fernando Valley (Region 2)	2,843	5,152	5,740	-588 ***	-10.2	74.5	80.9	-6.4 ***	-7.9
San Gabriel Valley (Region 3)	3,990	5,296	5,663	-367 ***	-6.5	76.8	81.2	-4.4 ***	-5.4
Central (Region 4)	2,526	5,525	5,962	-436 ***	-7.3	82.5	85.6	-3.1	-3.6
Southern (Region 5)[a]	3,522	5,610	5,950	-340 ***	-5.7	81.9	84.3	-2.4	-2.8
Southeastern (Region 6)	2,802	5,211	5,699	-489 ***	-8.6	75.3	80.8	-5.5 ***	-6.8
White	2,715	4,944	5,335	-391 ***	-7.3	72.3	77.2	-4.9 **	-6.4
African-American	4,891	5,461	5,843	-381 ***	-6.5	82.1	85.8	-3.7 ***	-4.3
Hispanic	7,079	5,384	5,910	-526 ***	-8.9	77.3	82.3	-5.0 ***	-6.0
Asian	872	5,920	6,234	-314 **	-5.0	82.0	85.2	-3.2	-3.7
Has a high school diploma or GED	7,168	5,013	5,431	-419 ***	-7.7	75.1	79.6	-4.5 ***	-5.6
Does not have a high school diploma or GED	8,515	5,658	6,106	-448 ***	-7.3	80.8	85.1	-4.2 ***	-5.0
Applicant	561	4,517	4,585	-68	-1.5	64.7	65.4	-0.7	-1.0
Short-term recipient	3,699	4,596	4,981	-386 ***	-7.7	67.9	72.5	-4.6 **	-6.4
Long-term recipient	11,423	5,652	6,115	-463 ***	-7.6	82.2	86.5	-4.3 ***	-4.9
Employed in year prior to random assignment	5,704	4,856	5,272	-416 ***	-7.9	73.9	77.9	-4.0 ***	-5.1
Not employed in year prior to random assignment	9,979	5,652	6,098	-446 ***	-7.3	80.6	85.3	-4.6 ***	-5.4
Most disadvantaged[b]	4,750	6,094	6,543	-449 ***	-6.9	85.3	88.5	-3.2 ***	-3.7

(continued)

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Table 3 (continued)

NOTES: The quarter of random assignment, quarter 1, may contain some earnings or AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the experimental and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

The sample sizes of the ethnicity subgroups do not add up to the full sample size because results for Native Americans and Pacific Islanders are not presented. Their sample sizes were too small for reliable estimates.

The welfare history subgroups (applicants, short-term recipients, and long-term recipients) were defined through a combination of self-reported information and administrative records data.

[a]This region serves the low-income communities of Watts, Compton, and North Long Beach.

[b]The "most disadvantaged" subgroup consists of long-term recipients who did not have a high school diploma or GED certificate at random assignment and who did not work for pay in the year prior to random assignment.

A homogeneity test was applied to variation in impacts across subgroups. Variation in impacts across subgroups was statistically significant as follows:

Subgroups	Employment	Earnings	AFDC/TANF Payments	AFDC/TANF Receipt Q5
Enrollee status	No	No	No	No
Region	Yes	No	Yes	Yes
Race/ethnicity	Yes	No	Yes	No
Educational attainment	No	No	No	No
Welfare history	No	No	Yes	No
Employed in year prior to random assignment	Yes	No	No	No

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receipt for this subgroup, demonstrating that job-search-first programs can work for recipients who lack education credentials, and that education and training are not the sole route to success.

Welfare-to-work programs especially need to help recipients who lack recent employment experience because they typically have much more difficulty obtaining a job on their own than do recipients with a recent work history. Table 3 shows that a mere 28 percent of control group members in the Jobs-First GAIN Evaluation who did not work in the year prior to random assignment obtained a job during the first year of follow-up. Jobs-First GAIN produced a large (14 percentage point) increase in employment and raised average earnings by more than $800 for this subgroup. Reductions in first-year AFDC/TANF payments were moderate.

For the most disadvantaged sample members, Jobs-First GAIN raised employment by a large amount (15 percentage points) and almost doubled average earnings (with a $784 gain). The program also reduced AFDC/TANF expenditures and receipt by moderate and small amounts, respectively. These results provide convincing evidence that even the most dependent welfare recipients can benefit from a Work First program.

Jobs-First GAIN also benefited recipients facing less serious barriers to employment. Sample members who worked in the year prior to random assignment can be considered the most job ready subgroup. As shown in Table 3, 70 percent of control group members in this subgroup worked in the first year of follow-up, and first-year control group earnings averaged $4,639. Jobs-First GAIN increased employment and earnings for sample members with recent work experience by 6 percentage points and $638, respectively. The employment gain was significantly smaller than the gain for recipients who lacked recent work experience, probably because the latter group was less likely to find work without the program's help. Otherwise, impacts for the two subgroups were similar.

As shown in Table 3, the program produced employment and earnings increases for the four main racial/ethnic subgroups in the single-parent sample: whites, African-Americans, Hispanics, and Asians. There were modest reductions in welfare receipt for three of the four subgroups.

- **Jobs-First GAIN also achieved positive results for welfare recipients who volunteered to enter the program early ("early enrollees"), as well as for those who waited to be called into the program ("regular enrollees").**

In general, first-year impacts for early enrollees did not differ by a statistically significant amount from those for regular enrollees (see Table 3), although trends in quarterly earnings suggest that the program may work better for early enrollees than for regular enrollees in year 2 (not shown in table).

VII. Impact Findings for AFDC-Us

- **Averaged across all AFDC-Us in the sample (both men and women), Jobs-First GAIN produced large first-year impacts on both employment and earnings.**

In the first year of follow-up, 42 percent of control group members in the AFDC-U group worked for pay (see Table 1). The average control group member earned $2,455 (zeros for people who never worked are averaged into this measure). Jobs-First GAIN produced a 12 percentage point increase in the proportion employed and an earnings gain of $1,082, or 44 percent. About two-thirds of the earnings gain resulted from the program's help in finding jobs for recipients who would not have worked on their own. The remainder was due equally to a longer duration of employment and higher average earnings for recipients who would have worked anyway. Employment and earnings gains remained substantial throughout the follow-up period and are therefore likely to persist in year 2.

These results gain particular importance in light of TANF's work requirements, which are much stricter for AFDC-Us than for single parents. TANF requires a higher percentage of two-parent families to work or participate in employment-related activities (in 1998, 75 percent of two-parent families versus 30 percent of single parents) and specifies that they work more hours per week in order to be counted as participants (35 versus 20).

- **Jobs-First GAIN reduced first-year AFDC/TANF and Food Stamp expenditures and receipt for the full sample (both men and women).**

The program decreased the average length of AFDC/TANF receipt for the AFDC-Us by a moderate amount (about 2½ weeks, not shown in tables) and reduced welfare expenditures by $667, or 10 percent (see Table 1). As was the case for single parents, most of these savings resulted from case closures, but a substantial portion was due to lower average monthly grants for those still on welfare. At the end of year 1, 77 percent of experimental group members versus 83 percent of control group members were on welfare (see Table 1). While Jobs-First GAIN's effect on welfare receipt was promising, these results suggest that the vast majority of program enrollees will still receive assistance at the end of year 2. Jobs-First GAIN also reduced Food Stamp expenditures by $310, or 11 percent. (See Table 1.)

- **Partly as a result of California's generous earnings disregards, most employed Jobs-First GAIN enrollees still received AFDC/TANF at the end of year 1. Consequently, the program's increase in the percentage employed and off welfare was small. Jobs-First GAIN achieved a substantial reduction in the proportion of AFDC-Us who depended on welfare as their primary source of income, however.**

Jobs-First GAIN lowered the proportion in the least self-sufficient group, those who were jobless and on AFDC/TANF, from 58 to 47 percentage points. The overall employment gain at the end of year 1 resulted partly from the program's small (4 percentage point) impact on employment without welfare (12 percentage points for experimental group members minus 8 percentage points for control group members) and partly from its similar (5 percentage point) impact on combining work and welfare (30 percentage points minus 25 percentage points). (These results are not shown in tables or figures.)

- **Earnings gains for the AFDC-U group were matched (but not exceeded) by reductions in AFDC/TANF and Food Stamp payments.**

In the first year of follow-up, Jobs-First GAIN replaced welfare dollars with earnings but did not raise average combined income for members of two-parent families. Both experimental

and control group members received about $12,000 in earnings, AFDC/TANF payments, and Food Stamps. (This measure of income includes earnings only from the sample member, and not from the other parent on the case.) Previously evaluated programs tended to actually reduce overall income for members of two-parent families.

- **Jobs-First GAIN achieved similarly large increases in employment for male and female AFDC-Us. First-year earnings gains, however, were nearly twice as large for men as for women. Over the course of follow-up, quarterly earnings gains for men and women began to converge.**

As shown in Table 4, more male than female control group members found a job during the first year of follow-up: about one-half versus one-third. This result is not surprising, because more men than women worked before random assignment. Male control group members earned more than twice as much, on average, as their female counterparts: $3,274 versus $1,497. (Zero earnings for jobless sample members are averaged into this measure.)

During year 1, Jobs-First GAIN boosted employment by 13 percentage points (to 43 percent) for women and by 11 percentage points (to 63 percent) for men, both representing large increases relative to the control group. Earnings gains were nearly twice as large for men ($1,449) as for women ($740), despite the similarity in their employment increases. This is because male experimental group members who worked earned more per quarter (on average) than their control group counterparts, but female experimental group members did not (not shown in tables).

The data suggest that both subgroups will continue to achieve employment and earnings gains in year 2, but impacts for men will probably grow smaller. At the beginning of year 2, the employment gain for men declined to 8 percentage points. Their earnings increases also diminished slightly but remained large ($281). For women, employment impacts remained large, and earnings gains peaked at $253, the beginning of year 2, indicating that the women may eventually approach the earnings gains of men.

- **Jobs-First GAIN reduced first-year AFDC/TANF payments for both men and women. At the end of year 1, the program decreased the proportion of men on welfare by a moderate amount, but it did not decrease AFDC/TANF receipt for women.**

Despite their higher earnings levels, male control group members received more AFDC/TANF dollars, on average, than their female counterparts during year 1: $7,133 versus $6,495 (see Table 4). It is unclear why this apparent inconsistency occurred. In addition, they were more likely to be on welfare at the end of year 1: 85 percent of men compared to 80 percent of women received cash assistance.

Jobs-First GAIN reduced first-year AFDC/TANF payments by a significantly larger amount for men ($848, or 12 percent) than for women ($424, or 7 percent). For both subgroups, the program continued to reduce AFDC/TANF payments at the end of follow-up, indicating that savings will continue into year 2 (not shown in tables). At the end of year 1, Jobs-First GAIN reduced welfare receipt for men only, by 7 percentage points (see Table 4).

- **As was the case for single parents, the program positively affected many different segments of the AFDC-U caseload.**

Table 4
Program Impacts on Employment, Earnings, and AFDC/TANF Payments and Receipt for Selected Subgroups of AFDC-Us

		Ever Employed in Year 1				Average Total Earnings in Year 1			
Region and Subgroup	Sample Size	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Full sample	5,048	53.6	41.6	11.9 ***	28.6	3,538	2,455	1,082 ***	44.1
San Fernando Valley (Region 2)	1,507	45.8	34.2	11.7 ***	34.2	2,778	2,029	749 ***	36.9
San Gabriel Valley (Region 3)	1,376	56.9	47.2	9.7 ***	20.5	3,701	2,624	1,077 ***	41.1
Central (Region 4)	591	50.2	42.2	8.0 *	19.0	3,004	2,821	182	6.5
Southern (Region 5)[a]	611	57.7	42.1	15.6 ***	37.1	4,205	3,007	1,198 **	39.8
Southeastern (Region 6)	963	60.6	43.8	16.7 ***	38.2	4,397	2,252	2,144 ***	95.2
Female	2,393	43.2	30.5	12.7 ***	41.4	2,237	1,497	740 ***	49.5
Male	2,655	62.9	51.9	11.0 ***	21.2	4,723	3,274	1,449 ***	44.2
White	1,420	42.0	32.4	9.6 ***	29.7	2,379	2,060	319	15.5
Hispanic	2,362	59.3	44.4	14.9 ***	33.4	4,316	2,485	1,830 ***	73.7
Asian	990	53.9	47.4	6.5 **	13.8	3,083	2,428	655 **	27.0
Has a high school diploma or GED	2,044	51.1	41.1	9.9 ***	24.2	3,613	2,835	778 **	27.4
Does not have a high school diploma or GED	3,004	55.3	42.1	13.2 ***	31.4	3,482	2,226	1,256 ***	56.4
Applicant	142	63.0	46.6	16.4 * [u]	35.3	5,855	3,843	2,013 [u]	52.4
Short-term recipient	1,454	58.3	45.0	13.3 ***	29.7	4,514	2,877	1,637 ***	56.9
Long-term recipient	3,452	51.3	39.4	11.9 ***	30.2	3,037	2,199	838 ***	38.1
Employed in year prior to random assignment	1,745	80.9	73.2	7.8 ***	10.6	6,327	4,731	1,597 ***	33.8
Not employed in year prior to random assignment	3,303	39.2	24.9	14.3 ***	57.4	2,064	1,240	824 ***	66.5
Most disadvantaged[b]	1,499	39.6	23.6	16.0 ***	68.1	1,950	902	1,048 ***	116.1

(continued)

Table 4 (continued)

Region and Subgroup	Sample Size	Average Total AFDC/TANF Payments in Year 1: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Received AFDC/TANF in Quarter 5: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Full sample	5,048	6,180	6,847	-667 ***	-9.7	77.3	82.7	-5.4 ***	-6.5
San Fernando Valley (Region 2)	1,507	6,507	6,818	-311 **	-4.6	82.3	81.6	0.7	0.8
San Gabriel Valley (Region 3)	1,376	6,079	6,829	-750 ***	-11.0	76.1	81.8	-5.8 **	-7.0
Central (Region 4)	591	6,631	7,036	-405 *	-5.8	84.3	89.0	-4.6	-5.2
Southern (Region 5)[a]	611	6,465	7,189	-723 ***	-10.1	75.2	84.9	-9.7 **	-11.4
Southeastern (Region 6)	963	5,380	6,498	-1,117 ***	-17.2	68.7	79.1	-10.4 ***	-13.1
Female	2,393	6,071	6,495	-424 ***	-6.5	76.7	79.7	-2.9	-3.7
Male	2,655	6,285	7,133	-848 ***	-11.9	77.9	85.0	-7.0 ***	-8.3
White	1,420	6,599	6,965	-367 **	-5.3	83.3	85.0	-1.7	-2.0
Hispanic	2,362	5,576	6,438	-863 ***	-13.4	70.5	79.5	-9.0 ***	-11.3
Asian	990	7,017	7,651	-634 ***	-8.3	85.8	89.5	-3.7	-4.1
Has a high school diploma or GED	2,044	6,122	6,590	-468 ***	-7.1	76.8	79.6	-2.8	-3.5
Does not have a high school diploma or GED	3,004	6,225	6,994	-770 ***	-11.0	77.7	84.5	-6.8 ***	-8.0
Applicant	142	4,773	5,296	-524 [#]	-9.9	64.3	78.4	-14.1 [#]	-18.0
Short-term recipient	1,454	5,018	6,096	-1,078 ***	-17.7	63.6	73.9	-10.3 ***	-14.0
Long-term recipient	3,452	6,730	7,220	-490 ***	-6.8	83.7	86.3	-2.6 *	-3.1
Employed in year prior to random assignment	1,745	5,573	6,584	-1,011 ***	-15.4	72.5	80.2	-7.7 ***	-9.6
Not employed in year prior to random assignment	3,303	6,497	7,007	-510 ***	-7.3	79.8	84.2	-4.4 ***	-5.3
Most disadvantaged[b]	1,499	6,880	7,543	-663 ***	-8.8	82.9	90.0	-7.2 ***	-8.0

(continued)

Table 4 (continued)

NOTES: The quarter of random assignment, quarter 1, may contain some earnings or AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the experimental and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

The sample sizes for the ethnicity subgroups do not add up to the full sample size because results for African-Americans, Native Americans, and Pacific Islanders are not presented. Their sample sizes were too small for reliable estimates.

The welfare history subgroups (applicants, short-term recipients, and long-term recipients) were defined through a combination of self-reported information and administrative records data.

[a]This region serves the low-income communities of Watts, Compton, and North Long Beach.

[b]The "most disadvantaged" subgroup consists of long-term recipients who did not have a high school diploma or GED certificate at random assignment and who did not work for pay in the year prior to random assignment.

[u]The symbol "u" indicates that, because of a very small sample size, the impact estimate shown is unreliable.

A homogeneity test was applied to variation in impacts across subgroups. Variation in impacts across subgroups was statistically significant as follows:

Subgroups	Employment	Earnings	AFDC/TANF Payments	AFDC/TANF Receipt Q5
Region	No	Yes	Yes	Yes
Gender	No	Yes	Yes	No
Race/ethnicity	Yes	Yes	Yes	Yes
Educational attainment	No	No	Yes	No
Welfare history	No	No	Yes	Yes
Employed in year prior to random assignment	Yes	Yes	Yes	No

As shown in Table 4, AFDC-Us who lacked a high school diploma or a GED certificate achieved large employment and earnings gains — 13 percentage points and $1,256, respectively — and moderate AFDC/TANF reductions.

Of the control group members who had been jobless for at least a year before random assignment, only one-fourth found employment in the year after random assignment, and their earnings averaged just $1,240. Jobs-First GAIN produced a large (14 percentage point) employment gain for this group (which exceeds the gain for recipients who worked in the year prior to random assignment) and a moderate earnings increase.

In the first year of follow-up, about one-fourth of the "most disadvantaged" control group members worked for pay. Year 1 earnings and AFDC/TANF payments for control group members in this subgroup averaged about $900 and $7,500, respectively. Nine in 10 were still on welfare at the end of year 1. Jobs-First GAIN raised employment by a large amount and more than doubled average earnings. The program also reduced AFDC/TANF expenditures and receipt.

Table 4 shows that Jobs-First GAIN also benefited more job ready sample members. Although almost three-fourths of control group members with recent employment experience worked in the first year of follow-up, the program raised employment levels even further — by 8 percentage points. First-year earnings gains for experimental group members who worked in the year prior to random assignment averaged $1,597 above the relatively high control group level of $4,731. Higher earnings on the job made a greater contribution to the overall earnings gain for this subgroup than did job-finding itself.

As shown in Table 4, Jobs-First GAIN produced employment gains and welfare savings for recipients in each of the three main racial/ethnic groups among the AFDC-Us: non-Hispanic whites, Hispanics, and Asians. (There were not enough African-American AFDC-U sample members for reliable analysis.) Hispanics experienced the largest, most consistent impacts. These results appear more impressive in light of the fact that about half of the non-Hispanic whites and Hispanics, and almost three-fourths of the Asians, lacked English proficiency at random assignment. They show that Work First programs can help recipients who have different national origins and languages.

VIII. Discussion and Implications of the Findings

The findings presented in this Executive Summary show that, in the short term at least, Los Angeles County's transition from a basic-education-focused welfare-to-work program to a strongly employment-focused program worked. Jobs-First GAIN achieved relatively large first-year employment gains, a necessary prerequisite for longer-term success. Employment impacts exceeded those for the earlier GAIN program by a wide margin. Even more impressive was the fact that Jobs-First GAIN attained positive effects in a large urban setting, where welfare-to-work programs have traditionally fared poorly. Moreover, the program raised employment levels for many types of welfare recipients, including persons facing relatively serious barriers to employment. It is also interesting to note that Jobs-First GAIN achieved these results while attaining relatively low levels of participation in job club and other employment-related activities. These findings suggest that programs that impart a strong pro-employment message (as Jobs-First

GAIN did) may thereby encourage a portion of the caseload to find work who may not have done so on their own initiative.

The first-year findings also point to areas where the program has not yet attained its goals. Notably, the program did better at reducing welfare expenditures than in moving recipients off assistance. This finding may be expected, because the program encouraged enrollees to combine work and welfare in the short term, taking advantage of California's Work Pays financial incentives. At some point, however, the program will need to increase the rate of exits from assistance — otherwise, many adult recipients will eventually begin to encounter lifetime limits on eligibility for assistance. The key issue is whether experimental group members begin advancing to better jobs — offering stable, full-time employment at hourly wages exceeding the state's minimum wage (presently $5.75) by several dollars — more frequently than their counterparts in the control group. As discussed above, the program has so far boosted average earnings mainly by putting more people to work, but not yet by helping people get better jobs. A final issue concerns recipients' income. During the first year, Jobs-First GAIN increased experimental group members' self-sufficiency by replacing welfare dollars with earnings. It has not, as yet, increased their overall income, at least as measured by earnings, welfare, and Food Stamps. It remains to be seen whether the program can boost incomes and move recipients out of poverty.

IX. Future Research

In late 1999, MDRC will issue its final report on the Jobs-First GAIN Evaluation. This report will include: (1) two-year impact findings on program participation, employment rates, and earnings, as well as on AFDC/TANF and Food Stamp receipt and payments; (2) an expanded study of program impacts and other outcomes — including household composition and income, use of transitional child care and medical services, incidence of food insecurity and hunger, and child well-being; and (3) a benefit-cost analysis, comparing increased program costs to welfare savings (and associated administrative costs) and increased taxes paid by sample members. The analysis will also consider whether sample members were made better off financially as a result of Jobs-First GAIN, that is, whether their gains in earnings, fringe benefits, and the Earned Income Tax Credit exceeded their loss of income from increased taxes and reductions in AFDC/TANF, Food Stamps, and other cash and noncash benefits. MDRC will estimate these effects from automated participation, earnings, and public assistance records for the full sample and from data collected from a survey of selected AFDC-FG sample members.

Chapter 1

Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ended the 60-year-old Aid to Families with Dependent Children (AFDC) program, the nation's largest cash welfare program. Among its provisions, the law replaced AFDC with block grants to the states, called Temporary Assistance for Needy Families (TANF), and created financial incentives for states to run mandatory, work-focused welfare-to-work programs. While these types of programs are not new, various aspects of the 1996 law increase their importance: Federal funds now may not be used to support most families on welfare for longer than five years (and some states have even shorter welfare time limits); states face financial penalties if they fail to meet TANF-defined "participation standards," which require increasingly large proportions of welfare recipients to be in work or work-related activities; and states must have a plan for how they will require recipients to work after two years of assistance.

In meeting the new challenges of the federal welfare legislation, state and local administrators and policymakers can benefit from reliable information on the types of welfare-to-work program approaches that can quickly move substantial numbers of people into work and off welfare. This challenge will be especially daunting in large cities, where prior studies of welfare-to-work programs have shown limited positive effects on employment and earnings.

This report presents first-year participation and impact findings from the evaluation of the Los Angeles Jobs-First GAIN program, the largest county welfare-to-work program in the nation. Consistent with the philosophy and goals of the 1996 federal law, Los Angeles Jobs-First GAIN emphasizes job search assistance and imparts a strong pro-work message in attempting to move thousands of welfare recipients quickly into jobs and off the welfare rolls. Because of this emphasis and message, Jobs-First GAIN — like most other current programs nationwide — is often categorized as a "Work First" program.

As discussed later in this chapter (and in detail in the first evaluation report), Jobs-First GAIN represented a transformation of the county's previous welfare-to-work program (Los Angeles GAIN), which had emphasized basic education as its key service. Because it was not certain that the new program would be effective, county officials decided to have it evaluated. Since the county did not have the resources or capacity to immediately serve everyone who qualified for the program, county officials decided that the strongest research approach could be employed — that used in the earlier, six-county GAIN evaluation (which included Los Angeles GAIN). In this research design (called a "random assignment" study), people targeted for the program are assigned at random to two groups — an "experimental group," which is made subject to the program's requirements and given access to its services, and (for comparison) a "control group," which is neither subject to the requirements nor given access to the program's services (though its members are free to seek other services in the community).

Because people are assigned to the two groups at random, the groups are similar, so any differences between them that emerge later (for example, in their employment rates) must be attributable to the program under study (in this case, Jobs-First GAIN). Although the purpose of a random assignment study is to reliably determine what *difference* a program really makes, it also

serves the purpose of fairly allocating places in a program that cannot accommodate all those who might want to join it or who are supposed, by law, to do so, since people are assigned to the program by a random process, much like a lottery.

I. The National Importance of Welfare Reform in Los Angeles

The Jobs-First GAIN Evaluation provides an opportunity to study how well a Work First approach succeeds within an urban context, with a predominantly minority welfare population, and on a very large scale. All of these features make this evaluation important to the study of welfare reform. If Los Angeles succeeds in moving significant numbers from welfare to work, the program can serve as a model for other large urban areas.

A. The Setting

Los Angeles County is the most populous in the nation, with a welfare caseload larger than any *state's*, except New York's and California's. Presently, one in 12 U.S. welfare recipients lives in Los Angeles County. Further, the county receives more than 8 percent of all welfare dollars spent nationwide.[1] For these reasons alone, any success achieved by Los Angeles County's welfare-to-work program in moving large numbers of recipients into jobs and off assistance will have broad significance. Moreover, the nation's welfare population has become increasingly concentrated in its largest cities. According to a recent study, as of 1996 most cities had "shares of the state's welfare population that were larger than the cities' share of the state's total population." The same study found that most large cities and urban counties "did not perform as well as their states in moving recipients off the welfare payrolls."[2] Thus, the future success of welfare reform will, to a great extent, depend on whether administrators and staff of large, urban welfare-to-work programs, like Los Angeles County's, can design and implement innovative approaches that work.

B. The Welfare Caseload

Hispanics and African-Americans make up about 80 percent of the CalWORKs caseload in Los Angeles County.[3] (CalWORKs is California's current welfare program.) These two groups now make up a majority of the nation's welfare caseload as well. Further, as recent studies have demonstrated, minorities are leaving assistance more slowly than are white recipients. As in Los Angeles County, the success of welfare reform nationally will depend increasingly on how well programs help minority recipients find employment and leave assistance.[4]

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[1]U.S. Department of Health and Human Services, Administration for Children and Families, AFDC/TANF Flash Report, April 1997; California Department of Social Services, Statistical Services Branch, "AFDC Family Group/Unemployed (FG/U) Statewide Cash Grant Caseload Movement and Expenditures Report," April 1997.

[2]Bruce Katz and Kate Carnevale, *The State of Welfare Caseloads in America's Cities* (Washington, D.C.: Brookings Institution, May 1998), as quoted in Judith Havemann, "Welfare Reform Success Cited in L.A.," *Washington Post*, August 20, 1998, p. A1.

[3]Los Angeles County Department of Public Social Services, "DPSS Caseload Characteristics Report, July 1998."

[4]U.S. House of Representatives, Committee on Ways and Means, *1998 Green Book: Overview of Entitlement Programs* (Washington, D.C.: U.S. Government Printing Office, May 1998); Table 7-19, pp. 440-442; Jason DeParle, "Shrinking Welfare Rolls Leave Record High Share of Minorities," *New York Times*, July 27, 1998, p. A1.

C. Operating a Work First Program

As will be discussed below, Los Angeles County implemented a Work First program on a very large scale. TANF's requirements strongly encourage states to implement a Work First program model. Under TANF, states must place a large percentage (25 percent in 1997, rising to 50 percent in 2002) of their welfare caseload in work or work-related program activities. Further, TANF's five-year limit on most families' eligibility to receive federal dollars for welfare gives states a strong incentive to move recipients off assistance quickly. Prior research has shown that Work First programs can serve large numbers of recipients at relatively modest expense. Further, Work First programs have succeeded in helping some welfare recipients move rapidly into jobs. It is less certain, however, that Work First programs help large numbers of recipients stay employed and achieve self-sufficiency.[5]

II. The Jobs-First GAIN Program Model

Work First programs usually include: (1) a pervasive message, articulated clearly and frequently by program staff, that participants need to find work as soon as possible in order to become economically self-sufficient; (2) upfront job search services as the first program activity for most participants; (3) a job development component with links to local employers; (4) short-term education and training services, used either sequentially or concurrently with additional job search activities by clients; (5) enforcement of the participation mandate through noncompliance and financial sanctioning procedures; and (6) an emphasis on serving a broad cross section of the welfare population with program services. Work First programs can also differ in many ways, however (as illustrated later in this chapter, in Table 1.2).[6]

Several features are central to the Jobs-First GAIN version of a Work First approach:[7]

- **Communicating a strong Work First message.**

Paramount to the program is the Work First message that any job is a good job and should be taken. According to the Work First philosophy, even a low-wage job can be valuable to a welfare recipient, because it brings additional income to the family, increases the person's feeling of self-worth, and makes the person a good role model for the children. DPSS line and management staff, as well as service providers, voice this message repeatedly to program enrollees throughout their stay in Jobs-First GAIN. All program components and case management activities reinforce this message.

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[5]See Bloom, 1997, pp. 36-43, 113.

[6]One key difference is whether, like Los Angeles Jobs-First GAIN, the program assigns nearly all enrollees to job search as their first activity — an approach referred to in this report as "Work First, Job Search First" — or instead uses a "Work First, Mixed Services" approach, which allows case managers greater flexibility to refer a portion of the caseload to education and training activities (as exemplified by the Riverside GAIN program of the late 1980s and the Portland JOBS program of the middle 1990s). This distinction figures later in this chapter (and in Chapters 3 and 4), when Jobs-First GAIN is compared to several other programs.

[7]Further details are provided in Table 1.2. See the first report from this evaluation (Weissman, 1997) for a thorough discussion of the program and its services.

- **Warning enrollees that time-limited welfare is coming and urging them to get a job right away to preserve their eligibility for assistance.**

Even before the federal welfare reform legislation was enacted in August 1996, program staff were informing new enrollees that the federal government and the State of California would limit welfare eligibility, possibly to two years, and encouraging them to find work in order to avoid the expected cuts in welfare. As one agency flyer put it:

> Everyone will be expected to work. . . . These changes could occur as early as 1996. It is critical that you prepare now for these social changes. Work experience is the best training. Remember: "WORK IS IN, WELFARE IS OUT."

This message was repeated during program activities, and in meetings between enrollees and program staff.

- **Operating an unusually intensive program orientation.**

All new enrollees attend a six-hour-long group orientation session, followed by an individual appraisal meeting with a case manager during their first day in the program. In contrast, most other welfare-to-work programs, including some that share Los Angeles County's Work First philosophy, concentrate on intake and referral functions during orientation. Orientation meetings aim to change recipients' perceptions of Jobs-First GAIN, to present them with the Jobs-First program's message, and to increase their self-esteem — particularly with regard to their ability to find work. At appraisal meetings that follow, case managers convey their expectation that enrollees will be working soon. In particular, case managers stress that California's relatively generous earnings disregards (discussed later in this chapter) will make enrollees financially better off by working, even at minimum wage jobs. Staff demonstrate this point by walking participants through several examples of grant calculations. They also discuss the availability of transitional child care and medical insurance for participants who leave welfare for employment.

- **Assigning most enrollees to job club first.**

Case managers, with few exceptions, assign most enrollees to job club (group instruction and assistance in finding jobs) as their first activity. Usually, the initial assignment takes place during the appraisal meeting. Jobs-First GAIN offered short-term basic education and vocational training classes as well, but assigned few enrollees to these activities. The program also made limited use of unpaid work experience jobs.

- **Organizing high-quality job clubs that teach job search skills, boost participants' self-esteem, and increase their motivation to find a job.**

The Los Angeles County Office of Education (LACOE) designed and operates the Jobs-First GAIN job clubs. LACOE crafted an upbeat, highly motivational job club model aimed at getting participants into jobs quickly. Further, LACOE staffed the job clubs with workshop leaders experienced in providing placement services to the program. Job club consists of a three-week workshop. In the first week, participants attend classroom sessions, where they complete a host of practical exercises to prepare them for their job search, including sample job applications and practice interviews. Participants are also expected to begin looking for work on their own initiative.

Frequently, several participants will find jobs before the five-day workshop has been completed.

Job club facilitators communicate energy and enthusiasm, telling participants that each of them can find a job by the end of the three-week activity. From the first day of job club, participants are encouraged to interact with one another and to speak in front of the group, and the facilitator is constantly calling on people to answer questions or talk about their job-seeking experiences. The goal is for participants to begin to feel comfortable speaking out loud about their skills and job preferences.

Job club staff rarely dwell on the mandatory nature of the activity; rather, they strive to present the services as an opportunity for participants, and they stress the importance of regular attendance if participants expect to find employment. They also frequently remind participants that attending job club is like a job itself, and that getting into the habit of coming to job club on time and dressed appropriately helps them prepare for the world of work. The only difference, staff often tell participants, is that work will pay better than welfare does. To reinforce this message, job club staff, like the orientation workshop leaders and the GAIN case managers, guide participants through a number of grant calculation scenarios. Again, these demonstrations underline that clients will be financially better off by hundreds of dollars per month if they work, even at minimum wage jobs.

With the strong focus on independent job-seeking skills and techniques, there is also a surprising amount of self-esteem-building at job services. Particularly in the workshop component of job club, staff place a high priority on promoting the value of work not only for its economic benefits but also for its potential to have a positive impact on self-esteem.

After the classroom-based job search workshop, participants begin 10 days of supervised job search at the LACOE job centers. Participants have access to telephones for calling prospective employers, as well as typewriters and a computer for writing résumés and letters. Participants are given a basic script to use in making cold calls to employers, and then each is expected — every day — to make at least 50 phone calls, generate at least five leads for job openings, and schedule or go on at least three interviews.

- **Using job development activities to support enrollees' job search efforts.**

Each Jobs-First GAIN office has DPSS job developers, who cultivate relationships with local employers and create lists of job positions. Job developers then try to match enrollees to available job openings, based on enrollees' prior experience and interests. Job developers begin working with enrollees during orientation and appraisal, and continue assisting their job search efforts during job club and other program components. Job developers also arrange and host job fairs for clients — weekly "mini" job fairs with one or two employers, plus larger quarterly job fairs with numerous employers. One office even experimented with having its job developers work on a one-on-one basis with program enrollees who had received a financial sanction (a reduction in their welfare grant) for noncompliance with program requirements.

Job development has become a more important feature of the Jobs-First GAIN approach over time. During the early part of the evaluation (covered in this report), each GAIN office had hired job developers, but job developers differed in how aggressively they were creating linkages to employers. Currently, job development plays a more prominent role in Jobs-First GAIN. In particular, DPSS markets the program to the business community as providing cost-free screen-

ing of prospective employees and promises to send employers people who are qualified and motivated to perform available jobs.[8]

III. An Overview of the Program's History

A. The Original GAIN Program and Evaluation

Launched in 1988, the original Los Angeles GAIN program, in keeping with statewide directives, placed a strong emphasis on upfront basic education. Working only with long-term welfare recipients, the program assigned most of them to one or more of the three constituents of basic education: Adult Basic Education (ABE), that is, remedial math or English; preparation for the General Educational Development (GED) test (those who pass earn a GED, or high school equivalency, certificate); or English as a Second Language (ESL) classes. Relatively few were assigned to job search activities.

An evaluation of the GAIN program in Los Angeles and five other counties found that Los Angeles GAIN incurred substantial per capita costs but showed only small earning gains and modest savings in welfare expenditures.[9] Los Angeles GAIN staff voiced frustration over the program's shortcomings: Enrollees were neither completing their education activities nor finding jobs.[10] In contrast, the GAIN program in neighboring Riverside County, which used a mixed-services approach with a strong employment focus, achieved unprecedented earning gains, large reductions in welfare payments, and substantial savings to government budgets.[11]

B. Creating Jobs-First GAIN

In light of these findings, between 1993 and 1995, DPSS undertook an effort to restructure its GAIN program, adapting the practices and policies of Riverside and other successful employment-focused programs. DPSS renamed the program Jobs-First GAIN to underscore its new commitment to the Work First approach.

DPSS also expanded the scale and targeting of the program, bringing several thousand more recipients per month into Jobs-First GAIN than had entered the program in previous years. By minimizing the provision of basic education and expanding job search services, which cost less, DPSS could serve more recipients at the same cost. Illustrative of this point is the fact that program expenditures increased less than 10 percent between 1995 and 1998, while the number of participants rose by more than 20 percent.[12]

C. Recent Program Developments

Since the start of the evaluation, DPSS has taken further measures to intensify the Work First thrust of Jobs-First GAIN. Anticipating the time-limited welfare benefits required by TANF

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[8]Los Angeles County Department of Public Social Services, "Gain Services for Employers" (flyer), April 1998.
[9]See Riccio, Friedlander, and Freedman, 1994, Chapters 4, 6, and 7.
[10]Weissman, 1997, p. 17.
[11]The Riverside GAIN program is further discussed later in this chapter.
[12]Los Angeles County Department of Public Social Services, "GAIN Program Expenditures, FYs 95-96, 96-97, and 97-98."

legislation, DPSS staff stressed to GAIN registrants, throughout their tenure in the program, the need to find jobs immediately, so as to preserve their welfare eligibility for when they might truly need assistance, especially during an economic downturn. To bolster these efforts, DPSS established the GAIN Applicant Program (GAP), an upfront job search program for welfare applicants. DPSS implemented GAP in 11 of the 24 DPSS cash assistance offices in April 1997.[13]

D. CalWORKs Implementation

During the course of 1998, DPSS phased in CalWORKs, the California plan that implemented the 1996 federal welfare reform legislation.[14] These programmatic changes will have only minimal effects on the people included in this study. DPSS did not begin to phase in CalWORKs until April 1998, well after the end of the first year of follow-up covered in this report. Sample members may have responded, however, to the *general* message that time-limited welfare would soon come into being.[15] The final report will examine survey data on the extent to which sample members knew about time-limited welfare.

IV. The Program Environment

A. County Demographic Characteristics

With 9.6 million people spread over 4,000 square miles, Los Angeles County is the most populous in the nation. By itself, the City of Los Angeles has 3.7 million residents. The county is ethnically diverse: Approximately 42 percent of the population are Hispanics; Asian-Americans and African-Americans represent about 12 and 10 percent, respectively.[16] The vast majority of the Hispanic population are of Mexican descent, with Salvadorans being the next largest group. Approximately 46 percent of county residents age five or over speak a language other than English at home,[17] with the largest number (32 percent) speaking Spanish; the next most commonly used languages are Chinese, Tagalog, Korean, Japanese, and Vietnamese. Many members of these groups live in predominantly minority communities, such as South-Central Los Angeles and East Los Angeles, whereas others are spread throughout the county.

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[13]GAP ended on April 1, 1998, when California's TANF plan, CalWORKs, took effect in Los Angeles. Consequently, DPSS never implemented it in the remaining 13 offices. To preserve the evaluation research design, MDRC and DPSS devised and implemented screening procedures at the program offices to identify and exclude from GAP services control group members among those applying for TANF aid.

[14]See Los Angeles County Department of Public Social Services, "Los Angeles County DPSS CalWORKs Implementation Plan: Executive Summary" (draft), 1997, pp. 2-6.

[15]Control group members were not eligible for CalWORKs services until after September 1998, the end of follow-up for the evaluation. The final report will examine survey data on the extent to which sample members — including the control group — knew about time-limited welfare.

[16]Los Angeles County, "County of Los Angeles Statistical Data" (Los Angeles County, CA, Website); California Department of Finance, Demographic Research Unit, "Race/Ethnic Estimates by County," January 1998 (Demographic Research Unit Website).

[17]United Way of Greater Los Angeles, *State of the County Databook, Los Angeles 1996-97*, Table 13, pp. 129-136.

B. Unemployment Rates and Poverty Levels

The county unemployment rate grew steadily in the early 1990s, rising from 5.4 percent in April 1990 to a high of 10.8 percent in July 1992, but then, as shown in Table 1.1, it dipped to 8.3 percent in April 1996. Since then, the rate has continued to drop, falling to 7.0 percent in July 1998 — somewhat above the national average of 4.5 percent. Employment numbers have reflected this trend, growing from slightly fewer than 4 million working residents in April 1996 to more than 4.3 million by July 1998, a 9 percent increase.[18]

The county poverty rate grew rapidly during the early-to-mid 1990s, but then began to decline. In 1995, 24 percent of county residents lived below the federal poverty line, up dramatically from 15 percent in 1990. This increase was fueled by both the county's slow recovery from the recession of the early 1990s and the continuing instability in the low-skills, entry-level labor market. In addition, the 1990 poverty estimates were revised in 1994 to compensate for the undercounting of poor county residents, which greatly expanded their official numbers.[19] Over one-third of the children were in poverty.[20] More recently, however, the poverty rate began to decrease, falling to 18 percent in 1997.[21]

To a greater extent than in most U.S. urban areas, the poor are spread across the county. There are pockets of poverty not only in the City of Los Angeles but also in many of the outlying suburban communities. Further, although the overall county economy has significantly improved over the last several years, local community unemployment rates vary considerably. African-Americans and Hispanics make up the great majority of people living in poverty. For example, unemployment rates in South-Central and East Los Angeles — communities where more than 90 percent of the residents are either African-Americans or Hispanics — still hover over 10 percent.[22]

C. AFDC/TANF Caseloads and Grant Levels

County AFDC/TANF caseload numbers have followed the trends in employment figures. As shown in Table 1.1 and Appendix Table A.2, the AFDC caseload totaled about 306,000 cases in July 1996. The number has since fallen steadily to its current level of roughly 245,000 cases — yet still makes up about one-third of the entire California caseload.

AFDC/TANF grant levels declined nearly 7 percent throughout the course of the study (see Table 1.1). The maximum aid payment (MAP) in California for a family of three in April 1996 was $607. The state reduced the MAP level in July 1996 to $594 and again in July 1997 to

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[18]California Employment Development Department's Labor Market Information Division, "Civilian Labor Force, Employment, and Unemployment" (California Employment Development Department Website).

[19]United Way of Greater Los Angeles, *State of the County Databook, Los Angeles 1996-97*, Table 96, p. 359.

[20]U.S. Census Bureau, "County Estimates for People Under Age 18 in Poverty for California: 1993," Table D93-06 (U.S. Census Bureau Website).

[21]U.S. Census Bureau, "Percentage of People in Poverty, by State: 1995, 1996, and 1997" (U.S. Census Bureau Website).

[22]California Employment Development Department's Labor Market Information Division, "Labor Force Data for Sub-County Areas (Los Angeles County), July 1998" (California Employment Development Department Website).

Los Angeles Jobs-First GAIN Evaluation

Table 1.1

Characteristics of the Program Environment, Los Angeles County

Characteristic	
Population, 1990[a]	8,863,052
Population, 1996	9,603,300
Population growth, 1990-96 (%)	8.4
AFDC caseload[b]	
July 1996	306,330
July 1997	274,716
July 1998	244,569
Jobs-First GAIN caseload	
July 1996	33,720
July 1997	41,467
July 1998	62,547
Total DPSS expenditures for Jobs-First GAIN	
FY 95/96	$58,809,460
FY 96/97	$63,300,738
FY 97/98	$63,267,072
AFDC grant level for a family of three ($)[c]	
9/1/93 - 6/30/96	607
7/1/96 - 6/30/97	594
7/1/97 - Present	565
Food Stamp benefit level for a family of three ($)[d]	
10/1/95 - 9/30/96	246
10/1/96 - 9/30/97	251
10/1/97 - 9/30/98	267
Minimum wage ($)	
10/1/96	4.75
3/1/97	5.00
9/1/97	5.15
3/1/98	5.75
Unemployment rate (%)[e]	
1996	8.2
1997	6.8
July 1998	7.0
Employment growth, 1996-98 (%)[f]	8.7

(continued)

Table 1.1 (continued)

SOURCES: Published reports from the U.S. Bureau of the Census; California Department of Social Services, Employment Development Department, Los Angeles County Department of Public Social Services.

NOTES:

[a]Data are for Los Angeles County.

[b]AFDC caseload figures are for single- and two-parent cases. Caseload figures refer to a monthly average.

[c]AFDC grant levels are based upon the maximum aid payment.

[d]Food Stamp allotments are based upon the AFDC maximum aid payment.

[e]Data for 1996 and 1997 are annual averages; July 1998 is a monthly average.

[f]Employment growth is calculated by: 100 x (number employed in July 1998 minus number employed in April 1996) / (number employed in April 1996). Employment totals for both dates were seasonally adjusted.

$565.[23] Higher Food Stamp payments partly offset the loss of welfare income for most recipients. Overall, a family of three who relied on welfare and Food Stamps as their sole source of income experienced a 2 1/2 percent decrease in combined income during the period covered by this report.[24]

D. AFDC/TANF Grant Calculations

During the follow-up period covered by this report, California used a set of welfare eligibility and grant payment regulations, known as "Work Pays," that increased the amount of money clients could earn and still remain on AFDC. The State of California implemented Work Pays in a series of steps starting in December 1992. Most important, Work Pays extended the "$30 and 1/3" earned income disregard to all months in which a client worked, rather than just the first four months. Under this rule, the welfare department (after subtracting the first $90 of a recipient's monthly wages to help defray her work-related expenses) would also deduct ("disregard") the next $30 of earnings, plus one-third of the rest.[25] For the following eight months, only the $30 portion would be deducted. In addition, the state deducted the first $50 of any child support payments it received for the client in a month, and up to an additional $175 per child in monthly child care expenses.

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[23]California Department of Social Services, Statistical Service Branch, "AFDC Family Group Unemployed Statewide Cash Grant Caseload Movement and Expenditures Report," undated.

[24]California Department of Social Services, Information Services Bureau, "Public Assistance Facts and Figures: January 1998" (California Department of Social Services Website). According to the formula used to calculate Food Stamp payments, a reduction of $1 in welfare payments results in a 30 cent increase in Food Stamps for families with no other income sources. In addition, the federal government increased maximum Food Stamp payments slightly in October 1996 and again in October 1997.

[25]Weissman, 1997, p. 47.

Before Work Pays, any remaining earnings, after all disregards were applied, were subtracted dollar for dollar from the MAP, with the client's receiving the balance (if any) as a reduced monthly welfare check. Under Work Pays, the welfare agency set a higher minimum monthly income level for each household size, called the "Basic Need Standard." The recipient's earnings were subtracted from this higher standard of need, rather than from the MAP. In effect, this process functioned as an additional income disregard, because it did not count additional earnings before reducing grant levels, allowing working clients to keep more of their earnings.[26]

Data in Appendix Table A.3 demonstrate how Work Pays grant calculation methods increase recipients' income from earnings and public assistance. As shown in the table, in October 1996 (the midpoint of the follow-up period for this report), a mother with two children could earn up to $1,221 per month (or $7.04 per hour for a 40-hour work week) before losing her welfare (and Medicaid) eligibility. In contrast, without Work Pays (using grant calculation guidelines adopted by most states before TANF), the same welfare recipient would lose her eligibility if she earned more than $1,010 per month (or $5.83 per hour for a 40-hour work week), during her first four months of employment. After month 4, monthly earnings above $713 would terminate the person's welfare eligibility.

Work Pays also increased the maximum amount a person could earn and still remain on Medicaid — a crucial incentive for clients to begin working in entry-level jobs that do not provide medical benefits.

V. An Overview of the Evaluation

The Jobs-First GAIN Evaluation began in 1996 and is scheduled to continue through the end of 1999. It is jointly funded by the Los Angeles Department of Public Social Services (DPSS), the U.S. Department of Health and Human Services (HHS), and the Ford Foundation. The evaluation involves nearly 21,000 welfare recipients who entered the program between April and September 1996. It includes single parents (AFDC-FGs, or Family Group) — the great majority of whom are women — and members of two-parent households (AFDC-Us, or Unemployed Parents).

A. The Research Design

Central to the evaluation is an experimental design, whereby those entering the program were assigned, at random, to the "experimental group" or — for comparison — the "control group." Those assigned to the experimental group were given access to Jobs-First GAIN's program services, including the initial orientation session, and its Work First message. They were subject to the program's mandatory participation requirements and could incur a sanction (a reduction in their welfare grant) for noncompliance. Control group members did not attend the six-hour information and motivational meeting during orientation and were precluded from receiving other Jobs-First GAIN services. They remained eligible to receive AFDC/TANF payments, however. Control group members could also seek other services in the community and receive child

[26]This change is referred to as "fill-the-gap" budgeting because it was intended to fill the gap between the family's basic needs and its income from welfare.

care assistance from DPSS for employment-related programs in which they enrolled on their own initiative.

Results for control group members represent the outcomes that welfare recipients would be expected to achieve in the absence of Jobs-First GAIN. Experimental-control group differences in outcome measures represent the effects, or *impacts*, of Jobs-First GAIN — that is, the extra value associated with access to Jobs-First GAIN services and exposure to its Work First message and mandatory participation requirements.

The evaluation analyzes program implementation; use of program services; impacts on employment, earnings, and AFDC/TANF and Food Stamp receipt; and program benefits and costs. Program effects will be estimated over a two-year follow-up period, starting with each sample member's date of random assignment.

B. Research Questions for This Report

This report is the third of five planned analyses of the program's implementation and effects.[27] It expands upon the previous (1998) analysis by presenting impact findings on employment and earnings for a full year of follow-up, analyzing program effects on a larger number of outcomes, reporting on participation patterns and impacts for key subgroups, and comparing the short-term impacts of Jobs-First GAIN to those for several other welfare-to-work programs. The report addresses the following questions:

Participation

1. Did a substantial portion of experimental group members participate in employment-related services during the first year following their program orientation?

2. What can be learned about experimental group members who did not participate in Jobs-First GAIN activities during year 1? What changes in their employment, welfare eligibility, or personal circumstances might explain their nonparticipation?

3. Did the vast majority of Jobs-First GAIN participants attend job clubs, as intended by program administrators? To what extent were education and training services used instead of or in combination with job search?

4. Jobs-First GAIN was intended as a short-term program, leading to a job. How long did sample members participate? How many participants in program activities found employment during year 1?

5. How often did case managers enforce the program's mandatory participation requirement? What portion of the sample incurred a reduction in their grant amount (a sanction) for noncompliance?

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[27]The first report (Weissman, 1997) described how DPSS restructured its GAIN program services model from a human capital development approach to a Work First model. It was followed by a paper (Freedman, Mitchell, and Navarro, 1998) that discussed preliminary findings on participation patterns and first-year impacts. A paper summarizing the program's two-year impacts and the evaluation's final report are both scheduled for later in 1999.

Impacts for the Full Sample

6. Did Jobs-First GAIN produce an initial boost in employment and earnings, a result expected of employment-focused programs?

7. To what extent did Jobs-First GAIN reduce dependence on welfare and Food Stamp benefits?

8. Were short-term employment and earnings gains and welfare reductions larger for Jobs-First GAIN than for the earlier, basic-education-focused Los Angeles GAIN program and for other employment-focused programs?

Impacts for Key Subgroups

The evaluation of the earlier Los Angeles GAIN program showed that its basic education focus produced little or no earnings gain for most types of welfare recipients. The Jobs-First GAIN Evaluation also examines "What works best for whom?" by analyzing data for key subgroups of the caseload. Of particular concern is whether the program's strong employment focus benefits the most disadvantaged part of the caseload, including those with the longest time on welfare.

9. Did Jobs-First GAIN produce consistent employment and earnings gains and welfare reductions for sample members living in the central city and for sample members living in Los Angeles County's outer ring of cities and towns?

Advocates of a Work First approach believe that it can increase employment levels and reduce welfare receipt in a variety of settings and among different welfare populations. Critics of this approach assert that programs emphasizing job search assistance may not work in many central cities, partly because the available jobs are often in the outer suburbs and many employers are inaccessible by public transportation. An important way to test this assertion is to estimate program impacts separately for each of the five GAIN administrative regions. Regions encompass unique labor markets, transportation networks, and distinct communities, defined by race/ethnicity and socioeconomic status.[28] For instance, the San Fernando Valley (Region 2) and San Gabriel Valley (Region 3) in the northern sections of Los Angeles County contain many of the newer suburbs and tend to be more prosperous than the older communities in the central and southern portions of the county. South-Central Los Angeles, a group of poor and historically African-American communities (and now home to a rapidly growing Hispanic population), spans two regions: Central (Region 4) and Southern (Region 5). The Southern Region also serves the low-income communities of Watts, Compton, and North Long Beach. East Los Angeles, which contains the largest concentration of Hispanics in the county, falls primarily within the boundaries of Southeastern (Region 6).

The evaluation of Los Angeles DPSS's earlier, basic-education-focused GAIN program showed that impacts varied by region. Although the Los Angeles GAIN program as a whole did not have positive impacts through three years of follow-up, San Fernando Valley sample members (Region 2) achieved moderate earnings gains and relatively large reductions in AFDC re-

[28]See Chapter 2 and Appendix Tables B.6 and B.7 for a discussion of the background characteristics of sample members by region.

ceipt. In contrast, sample members from Southern (Region 5) experienced welfare reductions but no change in earnings.[29]

10. Did Jobs-First GAIN produce consistent employment and earnings gains and welfare reductions among different racial/ethnic groups in the research sample?

For a number of reasons, impacts on employment and welfare receipt may vary across racial/ethnic groups. For example, anecdotal evidence indicates that Hispanics and Asians often use familial and neighborhood networks to find jobs not generally known to the wider population in the community, as well as to make child care and transportation arrangements once they become employed. On the other hand, lack of English proficiency may hinder some members of these groups from finding jobs elsewhere in the county. Discrimination against specific racial and ethnic groups may also affect program impacts in less tangible ways.

11. Did Jobs-First GAIN produce consistent employment and earnings gains for "early enrollees" and for "regular enrollees"?

As discussed in Chapter 2, DPSS lacked funding to serve all welfare recipients mandated to participate in Jobs-First GAIN. In response, DPSS placed recipients on a waiting list, which was ordered according to recipients' length of time on AFDC as well as other background characteristics. Most enrollees in Jobs-First GAIN entered the program after waiting to receive a notice from DPSS informing them that a place in the program had become available. These persons are referred to in the evaluation as "regular enrollees." Other enrollees asked DPSS to let them enter the program "early," that is, before they reached the top of the waiting list. Including these "early enrollees" in a random assignment analysis of Jobs-First GAIN allows the evaluation to address a long-standing issue for welfare reform: When funds are scarce, should welfare-to-work programs target recipients who show the highest motivation to participate? Proponents of this strategy assert that highly motivated enrollees will complete their job preparation quickly, derive the greatest benefit from their training, and require little additional expenditure of staff time for monitoring and enforcement. Alternatively, it may be hypothesized that many early enrollees would soon find work on their own initiative and that programs would achieve more positive effects by serving recipients more reluctant to participate and in greater danger of remaining on assistance for a long time.

12. Did the program also produce consistent effects for subgroups defined by other background characteristics that would likely affect sample members' chances of finding a job, such as their educational attainment, prior employment, and length of time on welfare?

Another ongoing issue for welfare reform concerns whether programs emphasizing job search can benefit welfare recipients who face serious barriers to employment because they lack education credentials and have scant work histories. One view asserts that Work First programs can help even difficult-to-employ recipients find jobs, albeit low-paying ones, and that recipients can gain skills and work experience on the job that eventually lead to higher-paying, more stable employment. An opposing view states that many of the more disadvantaged welfare recipients may initially find work with the help of Work First programs, but will likely lose their jobs and return to welfare soon after.

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[29]Riccio, Friedlander, and Freedman, 1994, Table 8.2.

In addition, further research is needed to determine whether Work First programs benefit welfare recipients with a high school diploma and a recent work history — those with the best chance of finding work in the near future. Work First programs may help such recipients find work sooner than they could have on their own initiative (or perhaps to find a better job sooner). On the other hand, within a year or two, those recipients who are relatively job ready might achieve similar employment levels with little or no assistance from a welfare-to-work program.

13. Does Jobs-First GAIN benefit both AFDC-FG (single-parent) families and AFDC-U (two-parent) families?

AFDC-Us differ in background characteristics from AFDC-FGs and may experience different job opportunities and problems in finding and keeping jobs.[30] In contrast to the AFDC-FGs, who are mostly women, the AFDC-U part of the research sample is nearly evenly split between men and women, contains a large percentage of non-English speakers, and averages more children per family; it also includes a higher percentage of families with children under three years of age.

Male sample members were usually the primary wage-earners, the persons who had worked for pay long enough to qualify the family for AFDC-U benefits. In general, AFDC-U men constitute a job-ready population, although many of its members lack a high school diploma or a GED certificate and may be limited to jobs that do not require proficiency in English. Thus, AFDC-Us represent one of the key subgroups for testing whether a Work First program can increase employment and earnings among those welfare recipients who are most likely to find employment on their own initiative. Equally important, the Jobs-First GAIN Evaluation is one of the first to test the effects of a welfare-to-work program for AFDC-Us that took place after the termination of the "100-hour rule." This federal regulation required the welfare department to close an AFDC-U case if the principal wage-earner worked more than 100 hours in a month, irrespective of how much he earned. It is possible that a Work First program such as Los Angeles's will produce larger effects than those found in previously evaluated welfare-to-work programs for AFDC-U men, because enrollees can now seek full-time jobs without risking immediate closure of their case. On the other hand, the end of the 100-hour rule may also encourage control group members to seek out full-time work on their own initiative, limiting the program's impacts (by definition, the difference between how the control and experimental groups fare).

AFDC-U women in the research sample include a large percentage of "second parents," the adult member on the case who lacked sufficient work history to qualify the family for AFDC-U benefits. Most likely, many AFDC-U women worked part time or intermittently or remained at home as full-time caregivers. TANF regulations require many second parents to participate in employment-related activities. Yet, few previous evaluations of welfare-to-work programs for two-parent families have studied their effects on women or, more broadly, second parents. The Los Angeles Jobs-First GAIN Evaluation is one of the first to test whether a Work First approach can increase employment and reduce dependence for this relatively disadvantaged subgroup.

The evaluation's final report, to be completed in late 1999, will include: (1) two-year impact findings on program participation, employment rates, earnings, and AFDC/TANF and Food Stamp receipt and payments; (2) an expanded study of program impacts and other outcomes —

[30]See Chapter 2 for a discussion of the background characteristics of these two subgroups.

such as household composition and income, use of transitional child care and medical services, incidence of food insecurity and hunger, and child well-being measures; and (3) a benefit-cost analysis, comparing increased program costs to welfare savings (and associated administrative costs) and increased taxes paid by sample members. The analysis will also consider whether sample members were made better off financially as a result of Jobs-First GAIN, that is, whether their gains in earnings, fringe benefits, and Earned Income Tax Credits exceeded their loss of income from increased taxes and reductions in AFDC/TANF, Food Stamps, and other cash and noncash benefits. MDRC will estimate these effects using automated participation, earnings, and public assistance records for the full research sample and data collected from a survey of a random subset of AFDC-FG sample members.

VI. A Comparison of Jobs-First GAIN to Other Welfare-to-Work Programs

A key task of the evaluation is to compare the effects of Jobs-First GAIN to those attained by three previously evaluated welfare-to-work programs (see Table 1.2).[31]

- **Los Angeles GAIN, the county's basic-education-focused program, operated for long-term recipients[32] during the late 1980s and early 1990s.**

Most enrollees who participated in a GAIN employment-related activity attended classes in Adult Basic Education, English as a Second Language, or, less often, GED preparation. Relatively few participated in job search, unpaid work experience, or occupational skills training. The program's emphasis on basic education conformed to statewide requirements to provide these services to welfare recipients who had not attained a high school diploma or a GED certificate, or who scored below minimum levels on reading or math tests administered at program entry, or who were not proficient in English. Nearly everyone brought into Los Angeles GAIN during the late 1980s and early 1990s — eight in 10 AFDC-FGs and more than 90 percent of AFDC-Us — met at least one of these three criteria for needing basic education.

Among AFDC-FGs, Los Angeles GAIN reduced welfare expenditures to some extent, but did not raise earnings. The program had more positive effects for AFDC-Us, although earnings gains were still small, averaging less than $300 per year per enrollee. Other evaluations of welfare-to-work programs that emphasized basic education for single-parent enrollees with low educational attainment showed inconsistent results. Some programs produced effects similar to those of Los Angeles GAIN; others achieved larger earnings increases, but often with scant welfare savings. Several education-focused programs that provided occupational skills training for high school graduates and GED recipients also produced more positive results.[33]

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[31]For an evaluation of Los Angeles and Riverside GAIN, see Riccio, Friedlander, and Freedman, 1994, especially Tables 4.1 and 6.1. For an evaluation of Riverside LFA, see Hamilton et al., 1997, especially Table 9.4.

[32]Los Angeles GAIN enrolled welfare recipients who had received assistance continuously for at least three years.

[33]Basic education programs for welfare recipients with low educational attainment that, like Los Angeles GAIN, did not increase earnings include the GAIN program in Alameda County and the Human Capital Development (HCD) programs in Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California. Positive effects on earn-

(continued)

- **Riverside County GAIN, the county's Work First, Mixed Services program, operated in a neighboring county during the same years as Los Angeles GAIN.**

The Riverside GAIN program offered job search services to a large segment of the caseload, employed job developers to help move enrollees quickly into jobs, issued job placement goals for program staff, and encouraged enrollees to find work as soon as possible. All of these program features are consistent with a strong Work First approach. In keeping with statewide directives, however, Riverside GAIN also offered basic education instruction as a first activity to enrollees determined to need it. Because of this combination of services, Riverside GAIN is sometimes referred to as a "mixed services" program. Riverside's GAIN program achieved unprecedented employment and earnings increases and welfare savings.

- **The Riverside GAIN Labor Force Attachment (LFA) program, the county's Work First, Job Search First program, operated in the early-to-mid 1990s. Virtually all enrollees were placed immediately into job search activities.**

As part of a national evaluation of welfare-to-work programs operated in the late 1980s and early 1990s — the National Evaluation of Welfare-to-Work Strategies — Riverside County welfare administrators ran two versions of the GAIN program simultaneously to determine which approach worked better for their welfare clientele. The first version used a Human Capital Development (HCD) program model, whereby participants received education and training services to upgrade their skills prior to seeking work. The objective was to prepare people for jobs that offered sufficient wages and benefits to get them off and keep them off welfare. The second version of GAIN employed a Labor Force Attachment (LFA) program model. LFA placed clients immediately in job search activities (even those who had not graduated from high school or attained a GED certificate or who were determined to have limited literacy or math skills), emphasizing quick exposure to and entry into the labor market as the best route to earnings increases, job advancement, and self-sufficiency. Recent evaluations of Riverside LFA have found that the program produced larger earnings gains and welfare savings than many education-focused programs, including both Riverside HCD and Los Angeles GAIN. Its effects, however, were not as large as those attained by the previous employment-focused, mixed-services Riverside GAIN program.

As discussed in the first report on the Jobs-First GAIN Evaluation (Weissman, 1997), DPSS administrators consulted with their counterparts in Riverside County when creating Jobs-First GAIN during the mid-1990s. Sharing Riverside's growing commitment to the Work First approach, DPSS administrators adapted several features of the Riverside LFA program (some, such as the use of job developers and encouragement of quick entry into the job market, were also present in Riverside GAIN). Other features, including Riverside's strong emphasis on

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ings were found for the GAIN programs in Butte and Tulare Counties. Unlike Los Angeles GAIN, the Grand Rapids and Riverside HCD programs and Butte County GAIN achieved large welfare savings. Occupational-skills-oriented programs for high school graduates and GED recipients that increased earnings include Alameda County GAIN and Atlanta and Grand Rapids HCD. Of these three programs, only Atlanta HCD reduced AFDC payments by a statistically significant amount. See Riccio, Friedlander, and Freedman, 1994, Tables 2.8, 4.4, and 4.5; and Hamilton et al., 1997, Tables 5.1 and 11.1.

Los Angeles Jobs-First GAIN Evaluation

Table 1.2

Key Features of Los Angeles Jobs-First GAIN and of the Three Comparison Programs for This Evaluation

Program Features	Los Angeles Jobs-First GAIN	Los Angeles GAIN	Riverside GAIN	Riverside Labor Force Attachment
Dates of random assignment	Apr 1996 - Sept 1996	July 1989 - Mar 1990	Aug 1988 - Mar 1990	June 1991 - June 1993
Program approach	Work-first, job-search first	Basic-education-oriented	Work-first, mixed services	Work-first, job-search first
Typical first activity	Job club	Adult Basic Education or English as a Second Language; some assigned to GED preparation	Job club for enrollees determined not to need basic education; job club or basic education for enrollees determined to need basic education	Job club
Later activities	Vocational skills assessment, followed by additional job club, basic education, vocational training, or work experience	Vocational skills assessment, vocational training, or work experience	Vocational skills assessment, followed by 90-day job search, basic education, vocational training, post-secondary education, work experience, or on-the-job training	Vocational skills assessment, followed by 90-day job search, basic education, vocational training, postsecondary education, work experience, or on-the-job training

(continued)

Table 1.2 (continued)

Program Features	Los Angeles Jobs-First GAIN	Los Angeles GAIN	Riverside GAIN	Riverside Labor Force Attachment
Other program features	(1) 6-hour-long motivational meeting during program orientation; (2) job development; (3) strong message to begin work quickly, even at low-paying jobs; (4) strong encouragement to combine work and welfare		(1) Job development; (2) case managers expected to meet monthly job placement goals; (3) strong message to begin work quickly, even at low-paying jobs	(1) Job development; (2) case managers expected to meet monthly job placement goals; (3) strong message to begin work quickly, even at low-paying jobs
Level of enforcement of mandatory participation requirements / willingness to impose financial sanctions for noncompliance	high / high	high / low	high / low	high / low
Sample composition	AFDC-FG and AFDC-U newly approved applicants, short-term and long-term recipients	AFDC-FG and AFDC-U recipients with at least 3 years of continuous receipt	AFDC-FG and AFDC-U newly approved applicants, short-term and long-term recipients	AFDC-FG and AFDC-U newly approved applicants, short-term and long-term recipients
Age of youngest child	3	6	6	3
Percentage determined to need basic education	AFDC-FG 54.3% AFDC-U 59.5%	AFDC-FG 80.6% AFDC-U 92.2%	AFDC-FG 60.3% AFDC-U 66.6%	AFDC-FG 46.5% AFDC-U 55.7%

placement goals for program staff, were not incorporated into Jobs-First GAIN.

The similarities between the two county programs in welfare-to-work approach, their operation under the same statewide welfare regulations, and their adjacent location make comparisons between Los Angeles Jobs-First GAIN and Riverside LFA particularly meaningful.

VII. The Contents of This Report

Chapter 2 describes the research design of the Jobs-First GAIN Evaluation, the demographic characteristics of the research sample, and the data sources used in this report. Chapter 3 examines sample members' use of program services, including the proportion of eligible sample members who participated, their lengths of stay in the program, and the "paths" they took through it. The chapter also examines the extent to which the program's formal enforcement procedures were used. Chapter 4 discusses first-year program impacts on the employment rates, earnings, and AFDC/TANF and Food Stamp receipt for single-parent (AFDC-FG) sample members, including the impacts for key subgroups. These results are then compared to those achieved by the earlier Los Angeles GAIN program and several other employment-focused welfare-to-work programs. Finally, Chapter 5 presents the first-year impacts for two-parent (AFDC-U) sample members.

Chapter 2

Random Assignment, Research Sample, and Data Sources

This chapter explains how Los Angeles's Department of Public Social Services (DPSS) and MDRC implemented the research design for the Jobs-First GAIN Evaluation. It also describes the background characteristics of the research sample and lists the primary data sources for the report. The key issues addressed include:

- What types of welfare recipients were randomly assigned to the research sample? Which groups were excluded from the research?
- To what extent can results for the single-parent (AFDC-FG, or Family Group) and two-parent (AFDC-U, or Unemployed Parent) case groups be generalized to other members of Los Angeles County's caseload who were required to participate in Jobs-First GAIN?
- What are the background characteristics of key subgroups within the research sample?

I. General Background Characteristics of the Research Sample

The research sample includes 20,731 AFDC-FGs and AFDC-Us, randomly assigned between April 1 and September 11, 1996, when they showed up at a Jobs-First GAIN office for their scheduled program orientation. DPSS did not have the resources to serve all welfare recipients mandated to participate. The agency therefore implemented a targeting strategy. Prior to the start of the evaluation, DPSS reserved nearly all places in Jobs-First GAIN to persons identified by the federal Family Support Act of 1988 (FSA) as having the greatest risk of remaining on welfare for many years. DPSS gave highest priority to persons who had received welfare continuously for at least three years.

Anticipating the start of the evaluation, DPSS decided to change its targeting strategy so that the evaluation could determine the effect of the Jobs-First GAIN approach on a broad cross section of the welfare caseload and on various types of welfare recipients. To do this, DPSS administrators implemented a complex selection and weighting procedure. The resulting sample, which included nearly everyone who came into the program between April and early September, 1996, was drawn from specific groups in the caseload and in very broad terms appears to reflect the diversity of the mandatory caseload. The sample differs from the full Jobs-First-GAIN- mandatory caseload in having a substantially smaller percentage of persons experiencing a very long spell — at least five years — on welfare and by not including teen parents and a small number of other groups.

The sample is large and diverse, by race and ethnicity, by age and family size, and according to several indicators of relative disadvantage in the labor market. A large majority of AFDC-FG and AFDC-U sample members faced one or more serious barriers to employment at the time of random assignment: Fewer than half of the AFDC-FGs and AFDC-Us had graduated

from school or received a GED (high school equivalency) certificate; six in 10 had not worked for pay in the past three years; and about 70 percent of each group had received welfare for at least two years. Other members of the research sample faced fewer barriers to employment: About 30 percent of AFDC-FGs and AFDC-Us were newly approved applicants for assistance or had received assistance for less than two years, and more than a quarter of each group worked for pay in the year before random assignment.

II. The Enrollment Process and Its Effect on Eligibility for Random Assignment and Sample Composition

The next two sections describe how the 20,731 AFDC-FGs and AFDC-Us enrolled in Jobs-First GAIN were randomly assigned to the experimental and control groups. (This process is depicted in Figure 2.1. See also Appendix B for a more detailed technical discussion.) These sections also consider how each step in the random assignment process affected the make-up of the research sample and the extent to which the findings may be generalized to all recipients required to participate in the program. The analysis begins by describing how Los Angeles DPSS chose welfare recipients for referral to Jobs-First GAIN from among a much larger caseload of recipients required to participate in the program. Next, the chapter describes how random assignment took place on the day recipients showed up at a Jobs-First GAIN office to enroll in the program and attend their program orientation.

A. Referring Welfare Recipients to Jobs-First GAIN

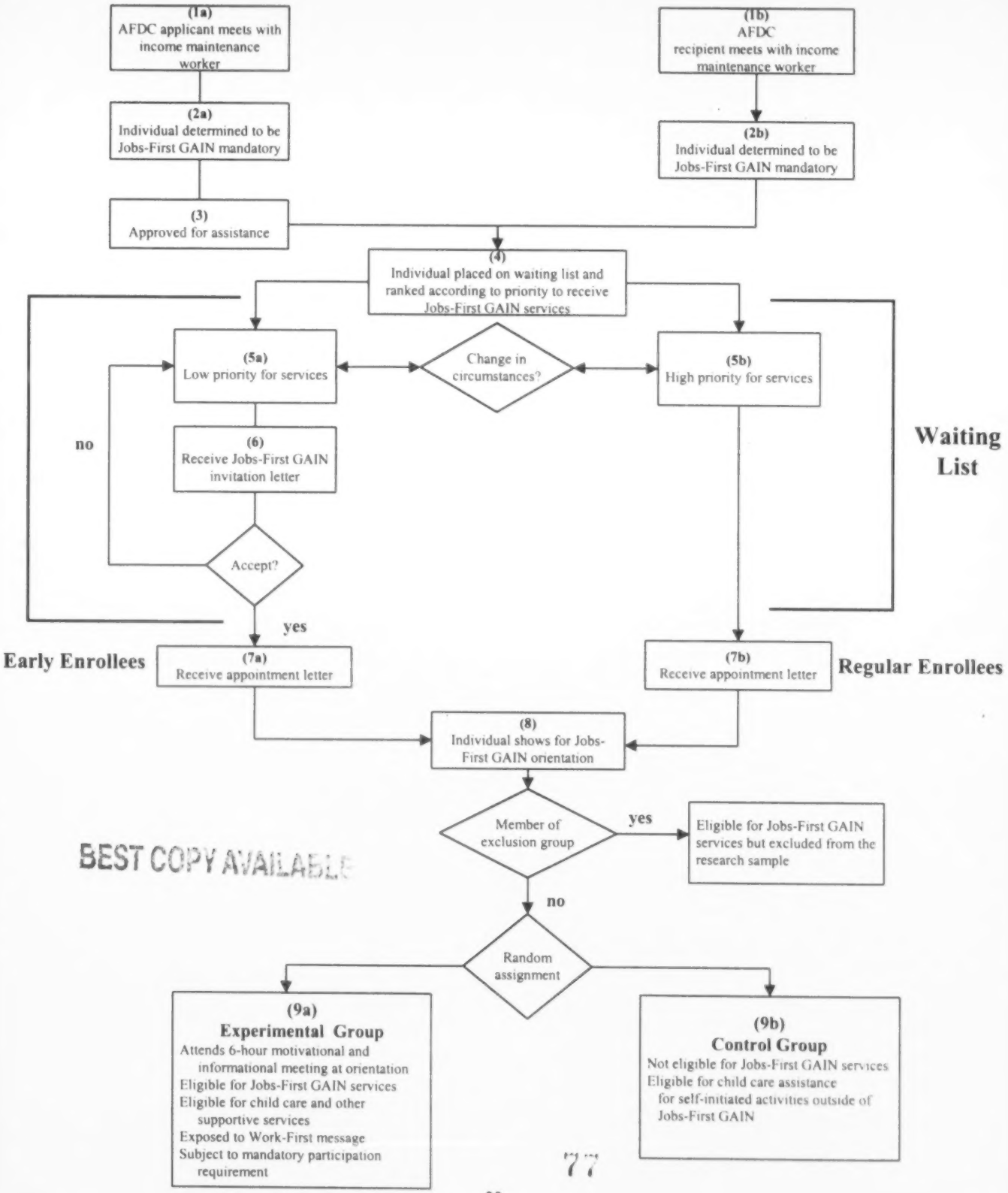
The first step toward enrollment in Jobs-First GAIN was a routine meeting between the welfare recipient and her[1] income maintenance (IM) worker, who was responsible for the financial aspects of each case, including AFDC, Food Stamps, and Medicaid (boxes 1a and 1b in Figure 2.1). At this meeting, which occurred when the individual first applied for welfare or when continuing eligibility for AFDC was being determined (usually every six months), the IM worker was responsible for assessing whether the individual was required to enroll in the program (boxes 2a and 2b).

During the evaluation, IM staff have followed the eligibility criteria written into the FSA when determining which recipients had to enroll in Jobs-First GAIN. According to the FSA, any single-parent AFDC recipient whose youngest child was age three or over and who did not meet certain exemption criteria was mandated to participate in a welfare-to-work program. Exemption reasons included having a disabling illness, being employed full time (30 hours or more per week), living in a remote area that made program activities inaccessible, or being in at least the second trimester of pregnancy. These eligibility criteria also pertained to members of AFDC-U cases, except that parents of children under three were also required to enroll. Further, FSA regulations mandated that both parents on the case enroll in the program.

Welfare recipients whom IM staff exempted could volunteer for Jobs-First GAIN, but they were not randomly assigned, and were not included in the sample evaluated in this report. In

[1] Feminine pronouns are used in this report because the great majority of sample members — and welfare recipients overall — are women.

Los Angeles Jobs-First GAIN
Figure 2.1
Steps Leading from Income Maintenance to Attendance at Jobs-First GAIN Orientation and Random Assignment


(1a) AFDC applicant meets with income maintenance worker
(1b) AFDC recipient meets with income maintenance worker
(2a) Individual determined to be Jobs-First GAIN mandatory
(2b) Individual determined to be Jobs-First GAIN mandatory
(3) Approved for assistance
(4) Individual placed on waiting list and ranked according to priority to receive Jobs-First GAIN services
(5a) Low priority for services
Change in circumstances?
(5b) High priority for services
Waiting List
no
(6) Receive Jobs-First GAIN invitation letter
Accept?
yes
Early Enrollees
(7a) Receive appointment letter
(7b) Receive appointment letter
Regular Enrollees
(8) Individual shows for Jobs-First GAIN orientation
Member of exclusion group
yes
Eligible for Jobs-First GAIN services but excluded from the research sample
no
Random assignment
(9a) Experimental Group
Attends 6-hour motivational and informational meeting at orientation
Eligible for Jobs-First GAIN services
Eligible for child care and other supportive services
Exposed to Work-First message
Subject to mandatory participation requirement
(9b) Control Group
Not eligible for Jobs-First GAIN services
Eligible for child care assistance for self-initiated activities outside of Jobs-First GAIN

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addition, during the sample intake period, applicants for welfare determined to be eligible to participate were not assigned to the program until IM staff approved their request for assistance (box 3).[2]

During the random assignment period (and for many years previously), DPSS received funding to serve only a portion of its Jobs-First-GAIN-mandatory caseload. For instance, in January 1996, three months before the start of random assignment, DPSS staff had determined that about 115,000 adult recipients were required to participate in Jobs-First GAIN and had referred 34,000 (about 29 percent) to the program.[3] Welfare recipients required to enroll in Jobs-First GAIN were placed on a waiting list (depicted in boxes 4, 5a, and 5b), maintained by DPSS's automated welfare eligibility and payment system (IBPS), and received a referral to Jobs-First GAIN as places in the program became available.

Orientation waiting lists have important ramifications for the characteristics of individuals enrolling in welfare-to-work programs. When a waiting list is in place, some welfare recipients find jobs and leave welfare before they are scheduled for an orientation. In this case, those who end up attending orientations may be more disadvantaged (for example, they are less likely to have had prior work experience or more likely to have lower education levels) than is the case when all individuals are immediately scheduled for a program orientation.

B. Setting Priorities for Services

The make-up of the research sample was affected still further by decisions made by DPSS administrators concerning which welfare populations to serve first. Each recipient placed on the waiting list was designated with an "Appointment Type," a grouping used to determine her place in the queue. Recipients' age, duration of welfare receipt, previous experience with welfare-to-work programs operated by DPSS, and other background characteristics determined their Appointment Type.[4] (See Appendix B for further details.) Persons with the same Appointment Type were also ranked, usually according to the date they began their current welfare spell. Each day, IBPS generated appointment letters to those at the top of the waiting list, based on the number of places made available from current enrollees' leaving the program or from additional infusions of funds. Appointment letters specified the location, date, and time of the orientation meeting, offered transportation assistance, and informed recipients that they could incur a financial sanction for failure to attend.

FSA regulations mandated welfare-to-work programs to spend at least 55 percent of pro-

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[2]As noted in Chapter 1, DPSS ran the GAP (job search) program for applicants from April 1997 through March 1998. Experimental group members who left welfare and then reapplied for assistance were eligible for this component, but control group members were not.

[3]Los Angeles County Department of Public Social Services, GEARS [the program's automated tracking system], "Assigned and Unassigned Participants Production Report," January 1996. The total number of eligible recipients was just under 132,000 and included teenage parents enrolled in the Cal-Learn program and recipients exempted from participation but volunteering to enroll.

The words "assigned" (used by DPSS) and "referred" (used in this report) are equivalent. They describe the process of giving a welfare recipient an appointment to attend a Jobs-First GAIN orientation. "Random assignment" describes the process of placing each recipient in the experimental or control group, which occurred at the start of a Jobs-First GAIN orientation.

[4]IBPS automatically updated a recipient's Appointment Type as her circumstances changed and reassigned her place on the waiting list accordingly.

gram funds on members of certain "target" groups, whose members were judged to be at greatest risk of long-term dependence. Target groups included: (1) persons who had received welfare for at least three of the previous five years, (2) persons under age 24 who had not graduated from high school or received a GED certificate, (3) persons under age 24 with limited work experience, and (4) parents whose youngest child was at least 16 years old.

As mentioned above, prior to the start of random assignment, DPSS had reserved nearly all places in Jobs-First GAIN for members of these FSA target groups, in particular persons who had received welfare for at least three of the previous five years. In actuality, most welfare recipients had received assistance continuously for at least five years before DPSS referred them to the program. Further, the agency invited only FSA target group members to enter the program early — that is, before they reached the top of the waiting list. As discussed in Chapter 1, persons responding to these "volunteer mailers" became what the evaluation calls "early enrollees." (See Appendix B for further details.)

DPSS administrators then changed the agency's targeting strategy to permit the evaluation to study Jobs-First GAIN's effects on a broader cross section of the welfare caseload. DPSS referred to JOBS-First GAIN more people who had received welfare continuously for less than three years than had been referred to the earlier GAIN program. As shown in the right-hand pie chart of Figure 2.2, these recipients make up nearly a third of the evaluation sample (AFDC-FGs and AFDC-Us combined). None of these individuals were members of FSA target groups.

DPSS also changed its referral procedures for persons who were currently experiencing a longer spell on welfare. Very long-term recipients — those on welfare continuously for at least five years — were given a lower priority for services and had little chance of entering the research sample. They make up nearly 14 percent of the evaluation sample, as shown in Figure 2.2. Instead, DPSS moved to the top of the waiting list persons who had received welfare continuously for between three and five years. These recipients constitute about 53 percent of the evaluation sample. (See Figure 2.2.) They, like the relatively small group of very long-term recipients in the sample, were FSA target group members, because their lengthy spell on welfare made them at risk of remaining on assistance for a very long time.

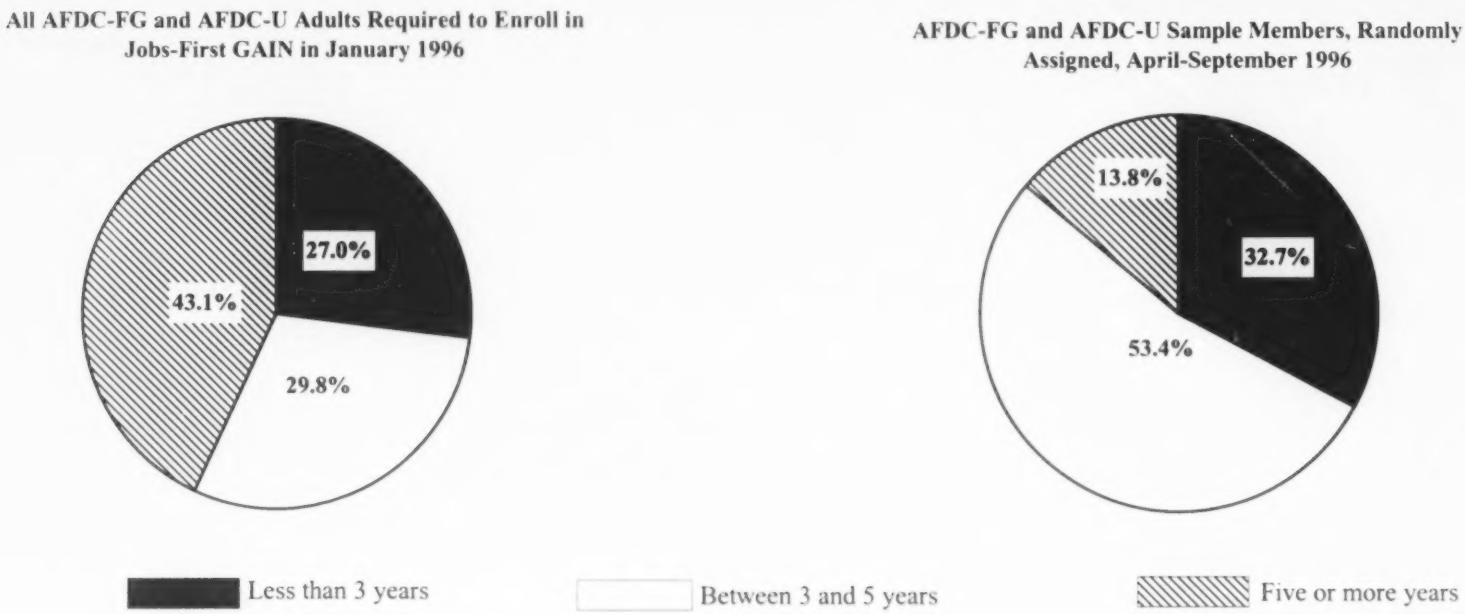
DPSS continued to reserve places in the program for early enrollees. As before, the agency gave preference to early enrollees who were also members of FSA target groups, especially those who had received welfare for at least three of the previous five years (see Appendix B). Early enrollees make up about 20 percent of the research sample (as shown in Appendix Figure B.1b). In Figure 2.2, they are included with other persons receiving welfare for that amount of time. MDRC and DPSS agreed to identify early enrollees as a distinct subgroup for analysis and to randomly assign a small portion of its members to the control group.

III. Random Assignment and Messages to Experimental and Control Group Members

A. The Purpose and Process of Random Assignment

Nearly all welfare recipients who attended a Jobs-First GAIN orientation from April 1

Figure 2.2
Length of Current Spell on Welfare of All AFDC-FG and AFDC-U Adults Required to Enroll in Jobs-First GAIN in January 1996 and of Jobs-First GAIN Evaluation Sample Members



SOURCE: MDRC calculations from LA DPSS GEARS "Assigned and Unassigned Participants Production Report," January 1996, and from GAIN Employment Activity and Reporting System (GEARS) and LA DPSS Integrated Benefit Payment System AFDC/TANF records.

NOTE: County caseload totals exclude 17,466 welfare recipients with Appointment Types that made them ineligible for the Jobs-First GAIN Evaluation sample.

through September 11, 1996, were randomly assigned to the experimental or control group.[5] As discussed in Chapter 1, experimental group members had access to Jobs-First GAIN's program services, including the initial orientation session, and its Work First message. They were subject to the program's mandatory participation requirements and could incur a sanction (a reduction in their welfare grant) for noncompliance. Control group members were required to leave the orientation as soon as they were randomly assigned to that group, and so did not attend the heart of the session: the six-hour group orientation. They were also precluded from receiving other Jobs-First GAIN services until October 1998, the end of the follow-up period for the evaluation. They remained eligible to receive welfare and Food Stamp payments, however. Control group members could also seek other services in the community and receive child care assistance from DPSS for employment-related programs in which they enrolled on their own initiative.

Experimental designs based on random assignment are often credited with providing the most accurate and reliable findings on effects of welfare-to-work programs. Prior research on welfare dynamics shows that many welfare recipients find jobs and leave welfare without any assistance from a welfare-to-work program and that many subsequently return to the rolls.[6] Without a random assignment research design, it is especially difficult to determine the extent to which a program increases (or decreases) the rate at which welfare recipients take jobs and leave the welfare rolls *above and beyond what they would have done on their own.* The employment and welfare behavior of control group members represent what would have happened to Jobs-First-GAIN-mandatory welfare recipients in the absence of the program. Critically, random assignment assures that members of the experimental and control groups do not differ systematically on both measurable (such as age or employment status) and unmeasurable characteristics (such as motivation). Members of the two groups also face the same labor market conditions. Thus, any subsequent differences found between the two group can be attributed with confidence to the combination of program services, messages, and participation mandates that only experimental group members experienced.

Random assignment is also a fair way to allocate places within a welfare-to-work program, when, as occurred in Los Angeles, the welfare agency lacks funding to serve all persons eligible for services. In a random assignment experiment, the program makes places available to welfare recipients through a process resembling a lottery system, instead of by a more arbitrary method.

As suggested above, random assignment occurred early in the orientation meeting, before welfare recipients began active participation in the program and encountered the program's strong Work First message. (See Figure 2.1, boxes 8, 9a, and 9b.) Orientation attenders met with a Jobs-First GAIN staff member to complete the first two sections of a three-part questionnaire on background characteristics. Staff persons entered the information directly into the Jobs-First GAIN automated tracking system, called GEARS. Completion of the second section of the ques-

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[5]Persons attending an orientation who were not randomly assigned included: welfare recipients younger than 19 years of age, persons exempt from mandatory participation requirements who volunteered to enroll in the program, additional members of a welfare case that already included a sample member, and sample members from the evaluation of the earlier Los Angeles GAIN program. All these individuals received Jobs-First GAIN services but were not part of the research.

[6]See Rangarajan, Schochet, and Chu, 1998.

tionnaire prompted GEARS to run a program developed by MDRC that randomly assigned the enrollee to the experimental or control group.

Table 2.1 displays the number of experimental and control group members by assistance category (AFDC-FG or AFDC-U), enrollee subgroup (regular or early), and research group (experimental or control). The table also shows the sampling ratio — the percentage of AFDC-FGs and AFDC-Us randomly assigned to the experimental or control group. The table shows sample sizes for the full sample and for sample members randomly assigned from April through June 1996, whose earnings and welfare payments are tracked for an additional three months.

As shown in Table 2.1, nearly three-quarters of the AFDC-FGs entered the experimental group, and one-quarter became control group members. The ratios differed for regular and early enrollees among the AFDC-FGs: Among the regular enrollees, 31 percent were assigned to the control group, as opposed to only 11 percent of the early enrollees. The participation and impact analyses that follow weight outcome and impact measures to adjust for these differences in random assignment ratios.[7] About 20 percent of the AFDC-Us were randomly assigned to the control group. This ratio applied to both regular and early enrollees.

B. Next Steps After Random Assignment

Immediately after being randomly assigned to the control group, control group members left the orientation session and attended a special presentation by Jobs-First GAIN staff. There they were told about the Jobs-First GAIN Evaluation, and that their random assignment status precluded them from receiving GAIN services for two years. The staff also explained that control group members could enroll in alternative employment-related services in their community and apply for child care assistance from DPSS. They were then sent home.

As discussed in Chapter 1, members of the experimental group continued their orientation to the program by attending a six-hour orientation meeting designed to boost their self-esteem and promote the program's Work First message. Experimental group members completed their orientation to the program by participating in an appraisal meeting with a Jobs-First GAIN case manager. During the appraisal meeting, case managers and experimental group members completed the third section of the questionnaire, which concerned possible barriers to participation. Case managers inquired whether the experimental group member was currently working at least 30 hours per week or had experienced a change in her situation, such as an illness or injury, that prevented her from participating in a Jobs-First GAIN activity. Experimental group members found to be in one of these situations received a long-term exemption from the program's participation requirements (a "deregistration") or a short-term exemption (a "deferral"). Experimental group members determined to have no barriers to participation received their first assignment to a Jobs-First GAIN activity; child care, transportation, and other assistance was also made available.

During the appraisal, case managers also asked whether experimental group members had

[7]Without weighting, the experimental group has a higher proportion of early enrollees and a lower proportion of regular enrollees compared to the control group. To compensate, separate estimates are calculated for early enrollees and regular enrollees. These estimates are then weighted by the proportion of early and regular enrollees in the combined sample of experimental and control group members.

Table 2.1
Overview of Sample Sizes, by Assistance Category, Enrollment Status, Period of Random Assignment, and Research Group

	Experimental Group	Control Group	Total
Full Sample			
AFDC-FGs	11,521	4,162	15,683
Percent	73.5	26.5	
Regular enrollees	8,620	3,821	12,441
Percent	69.3	30.7	
Early enrollees	2,901	341	3,242
Percent	89.5	10.5	
AFDC-Us[a]	4,039	1,009	5,048
Percent	80.0	20.0	
Total	15,560	5,171	20,731
April-June Cohort			
AFDC-FGs	6,540	2,253	8,793
Percent	74.4	25.6	
Regular enrollees	4,779	2,013	6,792
Percent	70.4	29.6	
Early enrollees	1,761	240	2,001
Percent	88.0	12.0	
AFDC-Us[a]	2,264	571	2,835
Percent	79.9	20.1	
Total	8,804	2,824	11,628

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTE: [a]Regular and early enrollees combined.

already begun attending an employment-related activity (often, vocational training courses) on their own initiative. Case managers could allow experimental group members to continue participating in their "self-initiated program" as their first Jobs-First GAIN activity (and provide them with child care and other assistance), if case managers determined that the activity met the Work First goals of the program. If not, the case manager could grant the experimental group member a deferral from Jobs-First GAIN's participation requirements for up to six months or until the end of the current quarter or semester. Experimental group members deferred for participating in an "unapproved self-initiated program" were not eligible for payments for child care or other supports for participation, however.

Sometimes, case managers terminated an appraisal meeting without assigning the ex-

perimental group member to a program activity or granting her a deferral or deregistration from the program's mandatory participation requirements. For instance, the experimental group member may have claimed to be no longer mandated to participate but lacked the necessary documents (such as a pay stub or a letter from a doctor) to verify her status. In this situation, the case manager could send the experimental group member home and reschedule her for a new appraisal at a later date.

LA DPSS's practice of determining mandatory status at appraisal — that is, *after* random assignment and then only for experimental group members — causes the participation and impact estimates to be somewhat conservative, "diluting" program effects because the sample retains some experimental group members who never received program services and had only limited exposure to the program's Work First message and participation mandates. Participation, employment, and welfare outcomes for these experimental group members must still be averaged in with those of the other experimental group members to preserve the experimental design.[8]

C. Random Assignment of AFDC-Us

DPSS mandated that both adult members of AFDC-U cases enroll in Jobs-First GAIN. (Previously, only the primary wage-earner, usually the father, had to participate.) Sometimes, the primary wage-earner showed up first at the Jobs-First GAIN office; sometimes, the second parent did. About 10 percent of the time, both adults in an AFDC-U case entered the program between April and September 1996 (the period in which random assignment took place). For the evaluation, whichever person enrolled in Jobs-First GAIN first during these months was randomly assigned to the experimental or control group.[9] The other parent in the case automatically received the same research group status as the sample member, but was excluded from the research sample.

The evaluation collected earnings data for the sample member only. As discussed in Chapter 5, this restriction adds a small amount of uncertainty to findings on program effects on employment, earnings, and combined income from earnings and public assistance for AFDC-Us. For instance, the program may have directly or indirectly helped the other parent on the case find employment. AFDC/TANF and Food Stamp payments are collected for the entire case, however, and estimates of welfare and Food Stamp savings presented in this report capture the program's effect on both parents.[10] In addition, the report presents separate estimates of program impacts for men (usually, the primary wage-earner) and women (usually, the second parent), which can suggest whether the program model can be effective in helping each parent find employment.

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[8]Ideally, sample members determined by program staff to be no longer mandatory would be excluded from the research. This strategy could not be implemented, however, because this information was collected only for experimental group members. (Control group members did not attend appraisal meetings.) Excluding only experimental group members from the research sample would have biased the results because the two research groups would then likely have differed in background characteristics, both measured and unmeasured.

[9]This procedure also applied to AFDC-FGs, some of whom had another person on the case enter the program during the months of random assignment. A search for program tracking information on the other AFDC-U parent showed that about 7 percent of AFDC-U households had a second parent who participated in employment-related activities during the one-year follow-up period for this report.

[10]A high incidence of both parents' working could be inferred by a large reduction in AFDC and Food Stamp receipt, however.

IV. Baseline Characteristics of the Research Sample

This section presents "baseline" demographic characteristics of the AFDC-FGs and AFDC-Us in the research sample, that is, characteristics measured at the time sample members entered the evaluation. The AFDC-FGs and AFDC-Us were drawn from throughout the metropolitan area: from central-city neighborhoods such as Florence and Watts to suburban neighborhoods in the San Fernando and San Gabriel Valleys. All sample members were at least 19 years old at random assignment. The AFDC-FG sample includes parents of children aged three and over, whereas AFDC-Us could include parents of younger children.[11]

A. Characteristics of the AFDC-FGs

As discussed above, only a relatively small portion of recipients with extremely long spells of welfare receipt were assigned to Jobs-First GAIN during the random assignment period. Nonetheless, as shown in Table 2.2, most Jobs-First GAIN AFDC-FGs faced one or more serious barriers to employment. Over half lacked a high school diploma or GED certificate at random assignment, credentials that employers often desire and that are necessary for entry into many job training programs. Recent work experience was uncommon: 64 percent had not worked for pay in the year prior to random assignment,[12] and 62 percent reported to DPSS that they had remained jobless during the three years before random assignment. About 14 percent of the AFDC-FG sample had received less than an eighth-grade education, and 20 percent were not proficient in English. Nearly three-quarters (73 percent) had received AFDC, on their own or their spouse's case, for at least two years cumulatively during their adult life. In this evaluation, these people are considered "long-term recipients." (See Appendix B for further discussion of how these subgroups were defined.) Around 30 percent of sample members fell into the "more disadvantaged recipient" category, which includes long-term recipients who had neither worked in the year prior to random assignment nor obtained a high school diploma or GED certificate.

Hispanics form the largest ethnic group (45 percent) among AFDC-FG sample members. About 31 percent of the sample are African-American, and 17 percent are non-Hispanic whites. Asians make up a much smaller proportion of the sample (6 percent). Just over half of all AFDC-FGs had at least one preschool-age child (under the age of six) for whom child care would be needed while the sample member worked or participated in employment-related activities.

B. Differences in Characteristics of AFDC-FG Early and Regular Enrollees

AFDC-FG early enrollees were slightly more disadvantaged than regular enrollees in terms of educational attainment and prior employment experience, but less disadvantaged in terms of prior AFDC receipt. (See Table 2.2.) A smaller proportion of early enrollees than regular enrollees had earned a high school diploma or GED certificate. On average, early enrollees were slightly younger and more likely to be parents of preschool-age children. In addition, Hispanics and African-Americans make up a larger percentage of the early enrollees, whereas fewer whites and Asians are included.

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[11] During sample intake, a single parent with a child under three was not Jobs-First GAIN mandatory. According to Table 2.2, however, 9 percent of the AFDC-FG sample had a child under three at the time of random assignment. The cause of this inconsistency is unclear.

[12] This percentage was calculated with statewide Unemployment Insurance wage records. (See Table 4.3 for sample sizes.) As shown in Table 2.2, 73 percent of AFDC-FGs reported that they had not worked for pay during the year before random assignment.

Los Angeles Jobs-First GAIN Evaluation

Table 2.2

Demographic Characteristics of the Full Sample

Characteristic	AFDC-FGs			AFDC-Us
	All	Regular Enrollees	Early Enrollees	
Random assignment quarter (%)				
April-June of 1996	56.1	54.6	61.7	56.2
July-September of 1996	43.9	45.4	38.3	43.8
Female (%)	92.8	92.3	94.9	47.4
Aid status[a] (%)				
Applicant	3.6	3.5	3.9	2.8
Short-term recipient	23.6	22.9	26.1	28.8
Long-term recipient (received AFDC for at least 2 years)	72.8	73.6	70.0	68.4
5 years or more but less than 10 years	15.6	16.2	13.3	14.0
10 years or more	7.8	7.4	9.3	2.4
Less disadvantaged recipient[b] (%)	42.5	43.2	39.9	38.7
Most disadvantaged recipient[c] (%)	30.3	30.3	30.1	29.7
On AFDC as a child (%)				
Yes	25.4	24.3	29.7	13.1
No	74.3	75.4	70.1	86.8
Don't know	0.3	0.3	0.2	0.1
Long-term, 2nd-generation recipient (%)	17.1	16.3	19.9	6.5
Likely to receive an exemption[d] (%)	18.7	20.0	13.5	20.3
Previous employment (%)				
Employed within past year	27.1	27.7	24.8	29.4
Employed within past 2 years	34.6	35.1	32.9	36.6
Employed within past 3 years	38.2	38.5	37.2	40.1
Current employment (%)				
Not employed	90.5	89.5	94.3	86.3
Employed	9.5	10.5	5.7	13.7
Employed 1-14 hours per week	1.2	1.2	1.2	1.3
Employed 15-29 hours per week	4.2	4.6	2.3	8.5
Employed 30 or more hours per week	4.1	4.6	2.3	3.9
Highest degree/diploma earned (%)				
GED	5.1	5.1	5.0	2.7
High school diploma	35.7	36.6	32.3	30.9
Technical/AA/2-year college degree	3.7	3.8	3.0	3.5
4-year (or more) college degree	1.3	1.3	1.2	3.4
None of the above	54.3	53.2	58.5	59.5
Has a high school diploma or GED (%)	45.7	46.8	41.6	40.5

(continued)

Table 2.2 (continued)

Characteristic	AFDC-FGs			AFDC-Us
	All	Regular Enrollees	Early Enrollees	
Highest grade completed in school (%)				
Less than 8th	13.8	13.6	14.7	27.4
8th	2.9	2.8	3.3	4.0
9th	6.1	5.9	7.0	6.2
10th	9.8	9.7	10.3	10.9
11th	19.2	18.8	20.7	10.6
12th	36.6	37.3	34.0	30.4
Post high school	11.2	11.6	9.7	9.7
No formal schooling	0.4	0.4	0.3	0.8
Average highest grade completed in school	10.8	10.9	10.6	10.3
Currently in a school or training program (%)	13.5	13.0	15.6	7.7
Ethnicity (%)				
White, non-Hispanic	17.3	18.7	12.1	28.1
Hispanic	45.2	43.8	50.3	46.8
African-American[e]	31.2	30.2	34.9	5.3
Asian/Pacific Islander	6.1	7.0	2.6	19.6
Native American/Alaskan native	0.3	0.3	0.2	0.1
Limited English proficiency (%)	20.3	19.5	23.0	51.7
Age (%)				
Less than 25	17.1	16.1	20.8	10.7
25-34	40.8	41.3	39.1	31.6
35-44	31.5	31.8	30.4	40.7
45 or older	10.6	10.8	9.7	17.0
30 or older	63.1	63.8	60.0	76.4
Average age (years)	33.2	33.4	32.5	36.2
Parent under 24, no high school diploma (%)	8.1	7.3	11.3	5.5
Marital status (%)				
Never married	43.0	42.8	43.8	9.1
Married, living with spouse	6.8	7.0	5.8	87.8
Separated	34.3	34.0	35.6	2.5
Divorced	14.1	14.3	13.1	0.6
Widowed	1.8	1.9	1.7	0.0
Has at least one child in the following age groups (%)				
Less than 6	53.3	52.3	56.9	59.4
6-11	54.7	55.2	52.8	57.0
12-18	38.8	39.2	37.6	44.4
Age of youngest child (%)				
Less than 3	9.3	7.7	15.1	33.0
3-5	44.0	44.6	41.8	26.5
6 or older	46.7	47.7	43.1	40.6

(continued)

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Table 2.2 (continued)

Characteristic	AFDC-FGs All	AFDC-FGs Regular Enrollees	AFDC-FGs Early Enrollees	AFDC-Us
Number of children (%)				
None	0.0	0.0	0.0	0.0
1	43.0	43.1	42.7	23.2
2	30.1	29.8	31.2	36.9
3 or more	26.9	27.1	26.1	39.9
Average number of children	2.0	2.0	2.0	2.4
Current housing status (%)				
Public	5.5	5.5	5.5	3.6
Subsidized	9.3	8.9	11.0	6.4
Emergency	0.4	0.4	0.7	0.1
Other	84.8	85.3	82.8	89.9
Research sample status (%)				
Experimental	73.5	69.3	89.5	80.0
Control	26.5	30.7	10.5	20.0
Sample size	15,683	12,441	3,242	5,048

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTES: Sample members with missing data were excluded from the calculations of percentages and means.

[a]The "Applicant" category includes sample members who reported never having received AFDC on their own or a spouse's case. "Short-term recipients" reported having received AFDC on their own or a spouse's case for one month to less than two years at any time prior to random assignment. "Long-term recipients" reported having received AFDC on their own or a spouse's case for two years or more at any time prior to random assignment.

[b]A "less disadvantaged" sample member is a long-term recipient who had a high school diploma or GED certificate at random assignment and/or who worked for pay during the year prior to random assignment.

[c]A "most disadvantaged" sample member is a long-term recipient who did not have a high school diploma or GED certificate at random assignment and who did not work for pay during the year prior to random assignment.

[d]During orientation, but prior to random assignment, GAIN case managers identified sample members whose circumstances made them likely to be exempted from participation in GAIN. Recommendations for actual exemptions were made during appraisal meetings that followed random assignment, but only for experimental group members.

[e]Los Angeles does not distinguish between non-Hispanic and Hispanic African-Americans.

C. Characteristics of the ADFC-Us

As shown in Table 2.2, women make up 47 percent of the AFDC-U part of the sample, whereas more than 90 percent of AFDC-FGs are women. The percentage of sample members without recent work experience is similar among both groups. AFDC-Us are less disadvantaged than AFDC-FGs in terms of length of prior welfare receipt, yet slightly more disadvantaged in terms of educational attainment. Notably, nearly 20 percent of AFDC-Us are Asians (primarily Indochinese), and about half the AFDC-U sample had limited English proficiency. The AFDC-

Us also include a larger percentage of whites (many of whom were recent immigrants from Armenia) and a much smaller percentage of African-Americans compared to AFDC-FGs. Further, the AFDC-Us have, on average, a greater number of children on their cases than the AFDC-FG sample members (2.4 versus 2.0, respectively).

D. Differences in Background Characteristics Among AFDC-U Women and Men

The most striking difference between women and men in the AFDC-U part of the sample is their level of employment experience. (See Appendix Table B.5.) Whereas more than half of the men reported working for pay during the three years preceding random assignment, just over a quarter of the women were employed in that period. In addition, men were more than twice as likely as women to hold a job at random assignment (19 percent of men compared to 8 percent of women worked). Male and female AFDC-Us had similar percentages of short- and long-term welfare recipients. On the other hand, fewer men than women earned a high school diploma or GED certificate (37 percent versus 44 percent), and slightly more lacked English proficiency (53 percent versus 50 percent).

There are fewer whites (25 percent versus 32 percent) and more Asians (22 percent versus 17 percent) among men than women. Otherwise, the ethnic make-up of the two subgroups is very similar. Male AFDC-Us tend to be older than their female counterparts, averaging 38 years of age versus 35 for the women. Also, more men had very young children: 39 percent of men versus 26 percent of women had a child under three years old.[13]

E. Differences in Background Characteristics Across GAIN Regions

As discussed in Chapter 1, Los Angeles County includes dozens of communities defined by race, ethnic origin, or socioeconomic status. Further, the county encompasses many local labor markets, some providing more opportunities for entry-level work than others. Appendix Table B.6, which displays background characteristics of the AFDC-FG part of the sample by GAIN administrative region, highlights these differences. As shown, Hispanics make up a majority of the sample in the Southeastern and San Gabriel Valley Regions and around four in 10 sample members in the San Fernando Valley and Central Regions. African-Americans constitute 59 and 55 percent of sample members in the Southern and Central Regions of the county, respectively, but fewer than 20 percent of the sample elsewhere. Finally, about 37 percent of sample members in the San Fernando Valley Region are white, but elsewhere whites make up from 5 to 19 percent of the sample.

AFDC-FG sample members also differ by region in other background characteristics that may have affected their chances of finding employment and leaving welfare. For instance, the percentage of sample members with limited English proficiency varied from 10 percent (in Southern) to 30 percent (in Southeastern). Similar differences occurred in the percentage with no high school diploma or GED certificate at random assignment (from 44 percent in Southern to 64

[13]Not shown in Table B.5, early enrollees make up about 16 percent of the AFDC-U sample. Three-fourths of AFDC-U early enrollees are men; women make up the majority of AFDC-U regular enrollees.

percent in Southeastern) and in the percentage of long-term recipients (from 69 percent in San Gabriel Valley and Southeastern to 77 percent in Southern).[14]

The AFDC-U part of the sample also differs across regions in background characteristics. (See Appendix Table B.7.) In two regions — San Gabriel Valley and Southern — Hispanics, along with Asians and Pacific Islanders, are the predominant ethnic groups. Whites make up the majority of sample members in the San Fernando Valley Region, whereas nearly all AFDC-U sample members in the Southeastern Region are of Hispanic origin. Hispanics also make up the largest ethnic/racial group in the Central Region — just under 50 percent. As with AFDC-FGs, sample members differ dramatically by region in English proficiency, educational attainment, and length of prior welfare receipt.

F. AFDC-FG Comparison Samples

As described in Chapter 1, the impact analysis for AFDC-FGs will include comparisons of the effects of Jobs-First GAIN to effects attained by the earlier, education-focused Los Angeles GAIN program. The two research samples differed greatly in background characteristics, however. In particular, the AFDC-FGs for the earlier GAIN evaluation were limited to long-term welfare recipients with children age six and over, whereas the Jobs-First GAIN sample includes newly approved applicants and short-term recipients, as well as parents of children five years old or younger. The analysis will therefore include direct comparisons of impacts for a subgroup of AFDC-FGs in both samples that shared the following background characteristics:

- at least 19 years old at random assignment;
- youngest child age six or older;
- not currently working 30 or more hours per week;
- received AFDC for at least three years cumulatively as an adult.

Riverside GAIN evaluation sample members, randomly assigned from August 1988 through March 1990, resembled the Jobs-First GAIN sample more closely in background characteristics. Much as in Jobs-First GAIN, sample members in Riverside included newly approved applicants and short-term recipients, as well as long-term recipients. On the other hand, Riverside's sample contained teen parents, but excluded parents of children younger than six years old — the opposite of Jobs-First GAIN. Therefore, criteria for selecting the comparison samples for these two programs differed somewhat from criteria used to select the comparison samples for the current and earlier versions of GAIN in Los Angeles County:

- at least 19 years old at random assignment;
- youngest child age six or older;
- not currently working 30 or more hours per week.

The Riverside Labor Force Attachment (LFA) program evaluation sample, randomly as-

[14]Riccio, Friedlander, and Freedman, 1994, Table 8.2, displays three-year earnings gains and welfare savings by region for AFDC-FG sample members in the earlier Los Angeles GAIN evaluation. As shown, Los Angeles's earlier, education-focused program achieved earnings increases for experimental group members living in the San Fernando Valley and San Gabriel Valley Regions, but did not increase earnings for sample members elsewhere in the county.

signed from June 1991 to June 1993, resembled Jobs-First GAIN's most closely in background characteristics. In particular, both samples included sample members with different lengths of prior welfare receipt and included parents of children between three and five years old. The comparison samples for these two programs share the following characteristics:

- at least 19 years old at random assignment;
- youngest children age three or older;
- not currently working 30 or more hours per week.

The impact analysis in this report will not include comparisons of impacts for AFDC-Us because the differences between the Jobs-First GAIN and earlier Los Angeles GAIN program samples are too extreme. In particular, nearly six in 10 AFDC-U sample members for the earlier evaluation were of Indochinese origin, compared to fewer than 15 percent of the Jobs-First GAIN sample. In addition, AFDC-U impact results are not yet available for the Riverside LFA program.

V. Data Sources for This Report

A. GEARS Automated Appraisal and Program Tracking Records

Background characteristics of sample members were recorded by Jobs-First GAIN staff during orientation and appraisal meetings and were entered in the GAIN Employment Activity and Reporting System (GEARS). Data are available for all sample members and are used to divide the sample into key subgroups. Most information is self-reported by sample members, including educational attainment status and length of prior welfare receipt, although some data in GEARS, such as the sample member's date of birth and Appointment Type, were transferred automatically from the LA DPSS automated welfare eligibility and payment system, the Integrated Benefit Payment System (IBPS).

GEARS also supplied data on experimental group members' use of Jobs-First GAIN program services, the frequency in which they entered nonmandatory statuses (deferrals and deregistrations), and their likelihood of encountering the program's use of formal enforcement procedures, including financial sanctions. Twelve months of follow-up data were available for all experimental group members, depending on their date of random assignment.[15] GEARS records used by MDRC permitted estimation of experimental group members' length of stay in program activities, as well as the number of months in which they incurred a financial sanction. GEARS data, like those of other automated tracking systems used in previous evaluations of welfare-to-work programs, do not permit an estimation of length of stay in nonmandatory statuses. (This finding is based on a comparison of GEARS status records with comparable information from casefile records of a "quality control" subsample and from conversations with DPSS administrators.) Further, MDRC did not collect records of appraisal meetings that occurred after random assignment. Therefore, it was not possible to estimate several measures of program coverage: for

[15]A later report will include program tracking information collected from survey interviews for a subsample of experimental and control group members.

example, months of participation as a percentage of total months in the follow-up period in which each sample member was eligible to participate in Jobs-First GAIN.

B. Statewide Unemployment Insurance Earnings Records Data

Employment and earnings impacts were computed using automated statewide Unemployment Insurance (UI) records data from the California Employment Development Department (EDD). Five quarters of follow-up data were available for all sample members. UI earnings are recorded statewide and can provide reasonably accurate and unbiased measures of employment, including earnings that sample members obtained within California, but outside of Los Angeles County. These data are not available for out-of-state earnings or for jobs that are not usually covered by the UI system, such as self-employment, domestic service, or informal child care, work that may have been "off the books," or work for employers who do not report earnings.[16]

C. Automated AFDC/TANF and Food Stamp Payment Records

Impacts on the receipt of AFDC/TANF and Food Stamps were calculated using automated payment records from LA DPSS's IBPS. Fifteen months of follow-up data are available for all sample members. Presently, California's counties maintain separate payment systems. The analysis misses payments for those who move to other counties in the state and receive welfare or Food Stamps. It is unlikely, however, that a higher percentage of experimental or control group members moved out of Los Angeles County.

D. Statewide and County Reports and Fieldwork and Interviews with Administrators and Staff

The description of Jobs-First GAIN and discussion of changes in program services and scale reported in Chapter 1 were based on site visits and observations of program operations, discussions with program administrators and staff, agency memos and directives supplied by DPSS, and calculations from tables in agency reports.

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[16]Some earnings missed by the UI system may be captured by self-reported earnings and employment recorded on the Two-Year Client Survey.

Chapter 3

Participation in Employment-Related Activities After Orientation

This chapter analyzes the use of program services by experimental group members during their first year after random assignment. As discussed in Chapter 1, the Jobs-First GAIN program ran high-quality job clubs, supported by job development activities, as well as short-term education and training for persons who completed job club without finding employment. These activities made up a key component of the Jobs-First GAIN approach for promoting rapid entry in the labor market. The chapter also looks at experimental group members who never participated in an employment-related activity. It examines how often these sample members found employment on their own, left welfare, or experienced other changes in circumstances that precluded their further involvement in the program. The chapter then explores the extent to which program staff used formal enforcement procedures, especially financial sanctions (reductions in welfare grants), to enforce mandatory participation requirements. Finally, the chapter compares levels of participation for subgroups within the Jobs-First GAIN research sample.

I. Key Questions About Participation

- Did most experimental group members participate in job club or another employment-related activity during the first year following their orientation meeting and appraisal?
- Regarding experimental group members who did not participate, what changes in their employment, welfare eligibility, or personal circumstances might explain their nonparticipation?
- Was job club the initial activity of the vast majority of program participants, as intended? To what extent were education and training services used instead of or in combination with job search?
- Jobs-First GAIN was intended to be a short-term program leading to a job. How long did sample members participate? What percentage of program participants found employment during year 1? What percentage were still participating in employment-related activities at the end of year 1?
- To what extent did case managers enforce the program's mandatory participation requirement? What portion of the sample incurred a reduction in their grant amount (a sanction) for noncompliance?
- To what extent did participation patterns vary for key subgroups in the research samples?

II. Framework for Interpreting Participation Findings

A. Alternative Definitions of Participation

This chapter follows the analytical framework of previous MDRC studies of participation patterns in welfare-to-work programs. It defines participation as attendance for at least one day at an employment-related activity, but calculations of participation levels do not count program orientations, appraisals, or other meetings with Jobs-First GAIN staff. This definition assumes that enrollees who take part in activities such as short-term job clubs or longer-term education and training courses receive the strongest exposure to the program "treatment."[1] For Jobs-First GAIN, however, the distinction between attendance at a program activity and a meeting with program staff is not clear-cut. As discussed in the previous chapters, *all* experimental group members attended a long informational and motivational meeting at orientation, during which staff strongly communicated the program's Work First message. In addition, experimental group members could receive job leads from staff during orientation, during appraisal, or at any time afterwards. Thus, a more inclusive definition of what constitutes a program activity leads to the conclusion that 100 percent of experimental group members participated.[2]

B. Other Components of Treatment

Participation in employment-related activities represented only one of several ways in which enrollees experienced the Jobs-First GAIN treatment. Equally important, program administrators and staff communicated a strong Work First message to all persons entering the program. This message had several parts:

- Anyone can find a job.
- Everyone must find work soon, because California would soon place lifetime limits on welfare eligibility.
- Working, even at a low-paying job, boosts self-esteem and can eventually lead to a higher-paying and more desirable job.
- Working will make almost every welfare recipient better off financially because of California's Work Pays incentives.

Enrollees first heard this Work First message when they attended a long motivational session during program orientation. Staff repeated these ideas during appraisals and similar one-on-one meetings, during program activities such as job club, and in informational handouts.

Further, as discussed below, DPSS implemented a tough, enforcement-oriented response to experimental group members who did not participate in program activities and did not show good cause for nonparticipation. Jobs-First GAIN staff frequently issued warnings to experimental group members who were not complying with the mandatory participation requirements.

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[1]A person who stopped attending a job club or another activity after only one day probably did not receive a strong program treatment. Most participants attended for considerably longer than one day, however.

[2]This definition of participation does not measure duration or intensity of attendance in program activities. The chapter will use other measures of participation to explore these issues.

and they imposed financial sanctions (welfare grant reductions) on a relatively large portion of the caseload. Administrators intended that a "high enforcement" case management approach and a strong pro-employment message would complement the program's high-quality, motivational job clubs. Together, these components of the Jobs-First GAIN approach encouraged enrollees to find work quickly and discouraged them from spending a long time in the program.

C. What Can Be Learned from Studying Participation

Analyzing attendance at employment-related activities is useful for testing how successfully Jobs-First GAIN administrators and staff implemented the program's Work First strategy. For instance, it would be expected that staff would assign a large percentage of experimental group members to job club as their first activity and that most of those assigned would participate for at least one day. It would also be expected that relatively few experimental group members would be assigned to longer-term education and training activities.

Analysis of participation patterns for experimental group members also provides a context for interpreting program effects on employment and welfare receipt, as discussed in the following chapters. It would be expected that Work First programs that attain high levels of participation in job search would likely move large numbers of enrollees into the labor market right away and produce an immediate impact on employment levels. On the other hand, job club leaders in Work First programs like Jobs-First GAIN often encourage participants to seek out entry-level jobs that may not pay more than welfare nor provide health benefits. Therefore, for programs that boost participation in job clubs, short-term increases in participants' earnings may be limited by unstable employment or by low wages.[3]

It is also important to learn what happened to experimental group members who did not participate in Jobs-First GAIN activities — in particular, whether they started working or left welfare during the follow-up. Jobs-First GAIN's program message, Work Pays incentives, mandatory participation requirements, and formal enforcement procedures may encourage nonparticipants to get a job faster than they otherwise would or to keep a job that they had already started prior to orientation. In this way, the experiences of nonparticipants could help Jobs-First GAIN improve earnings and reduce welfare grants for the entire sample. Alternatively, the program's participation mandates could convince some enrollees to leave welfare without employment or to incur a grant reduction (sanction) rather than comply. Another possibility is that many nonparticipants could have attended employment activities but that the program lost track of them or staff did not make a strong effort to get them to participate. These outcomes for nonparticipants could diminish the positive effects of the program.

D. Measurement Issues

As discussed in Chapter 2, indicators of participation and program status are calculated from automated tracking records of the Jobs-First GAIN Employment Activity and Reporting System (GEARS). Additional information on employment and welfare receipt come from state and county administrative records. Data are available for all experimental group members in the sample. GEARS records can be used to calculate length of stay in program activities and length

[3]Los Angeles's version of CalWORKs now offers enrollees access to vocational training, counseling, and other services after enrollees find work. These changes occurred after the follow-up for this report, however.

of stay in sanctions, but they are less reliable for estimating the length of time that experimental group members spent during short-term (deferral) or longer-term (deregistration) exemptions from mandatory participation requirements.[4]

The participation rates presented in this chapter include both program-referred activities and approved, self-initiated activities. Some measures presented apply only to experimental group members who participated in a Jobs-First GAIN activity (such as job club, education, or training); these individuals will be referred to as *participants*. Other measures apply to experimental group members who never participated in a Jobs-First GAIN activity; these are the *nonparticipants*.

Findings for AFDC-FGs represent weighted averages of participation levels estimated for regular and early enrollees.[5]

III. Key Findings About Participation

- Relatively few experimental group members participated in an employment-related activity during the first year after orientation: 38 percent of AFDC-FGs and 30 percent of AFDC-Us.
- Nearly all participants in program activities attended job club, demonstrating the Work First character of the program.
- Participation was usually short term. Nearly all participants attended job club only, and most job club attenders took part in only one three-week session.
- Among both AFDC-FGs and AFDC-Us, two-thirds of participants in program activities found work during year 1.
- Nearly half of AFDC-FGs and AFDC-Us who did not participate in an employment-related activity found a job during year 1; about a quarter of nonparticipants left welfare. More generally, close to 100 percent of nonparticipants received a temporary or long-term exemption (a deferral or deregistration) from Jobs-First GAIN.
- Jobs-First GAIN case managers initiated formal enforcement procedures on a large majority of AFDC-FG and AFDC-U experimental group members. Most often, the process did not lead to imposition of a financial sanction (grant reduction), however. Sanction rates (23 percent for AFDC-FGs and 17 percent for AFDC-Us) are in the middle range of rates recorded by employment-focused programs in the 1990s but higher than levels recorded by welfare-to-work programs evaluated during the 1980s.

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[4]The Two-Year Client Survey will provide information on use of program services for control group members and for participation outside of Jobs-First GAIN for experimental group members.

[5]As noted in Chapter 2, a smaller percentage of early enrollees than regular enrollees were randomly assigned to the control group. To compensate, results for early and regular enrollees are weighted according to the proportion they represent of the combined sample of experimental and control group members.

- Participation levels among AFDC-FGs and AFDC-Us varied by region and by race and ethnicity. Participation was greatest among African-Americans and Hispanics and in regions where most African-Americans and Hispanics lived. Among AFDC-FGs, early enrollees were more likely to participate than regular enrollees, but participation levels were the same for sample members with a high school diploma or GED certificate at random assignment and for nongraduates. Among AFDC-Us, men recorded higher levels of participation than women. In addition, AFDC-Us without a high school diploma a GED certificate at random assignment were more likely to participate than AFDC-Us who had attained one of these education credentials.

IV. Results for AFDC-FGs

As shown in Table 3.1, in the first year of follow-up, 55 percent of AFDC-FGs were assigned to a job search, education, or training activity, and 38 percent participated in an activity for at least one day. Participation levels in Jobs-First GAIN are low compared to the rates of the earlier, education-focused Los Angeles GAIN program (51 percent) and to the rates of the employment-focused Riverside GAIN program (60 percent). The Riverside Labor Force Attachment (LFA) program, however, engaged a similar proportion of recipients (44 percent) in work-related activities. (See Appendix Table C.1 for these and other comparisons.)[6]

The participation patterns displayed in Table 3.1 demonstrate the Work First orientation of the program. The largest percentage of experimental group members, about a third, attended job search activities, usually job club. In contrast, only about 9 percent participated in basic education or vocational training.[7] Los Angeles DPSS did not assign Jobs-First GAIN enrollees to postsecondary education courses.

Data in Table 3.2 provide additional information on use of program services for the nearly four in 10 experimental group members who attended a Jobs-First GAIN activity. As expected for a Work First program, nearly 90 percent of AFDC-FG participants attended a job club during the first year of follow-up, whereas just over a fifth of these sample members participated in an education or training course. More than 80 percent of job club participants attended only one spell of job club, and nearly as many took part in job club as their only activity in the program.

Most AFDC-FG participants remained in Jobs-First activities for a relatively short time. As shown in Table 3.2, nearly two-thirds of participants attended for two months or less out of the 12 months of follow-up. Further, fewer than one in six participants (or about 6 percent of the entire experimental group) were still participating at the end of year 1.

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[6]These estimates include all sample members for whom participation data were collected. The estimates *do not* control for sample members' background characteristics.

[7]Basic education activities include English as a Second Language (ESL), Adult Basic Education (ABE), GED preparation, and high school. About half of all experimental group members were assigned to job club, but only 4 percent were assigned to basic education activities. These results are not shown in tables.

Los Angeles Jobs-First GAIN Evaluation

Table 3.1

Rates of Participation and Status Within One Year of Orientation for AFDC-FG Experimental Group Members

Participation Status (%)	All	Regular Enrollees	Early Enrollees
Assigned to any activity[a]	54.5	50.5	69.8
Ever participated in:[b]			
Any activity[c]	38.2	34.2	53.9
Job search	33.5	30.4	45.4
Any education or training	8.5	6.7	15.5
Basic education	3.6	2.5	7.5
ESL	1.0	0.7	2.0
ABE	0.8	0.6	1.4
GED	1.4	0.9	3.1
High school	0.5	0.3	1.1
Vocational training	5.8	4.7	9.7
Work experience	1.9	1.6	3.0
On-the-job training	0.0	0.0	0.1
Assessment	8.0	6.9	12.3
Deregistered for any reason[d]	82.6	81.8	86.0
For employment	39.7	39.3	41.3
For sanction	27.0	26.4	29.0
For other reason	32.6	32.5	32.8
In conciliation	71.7	71.6	71.8
Sanctioned	22.8	23.1	21.3
Deferred for any reason	26.3	27.4	22.4
For unapproved SIT[e]	7.4	8.0	5.3
Sample size	11,521	8,620	2,901

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTES:

[a]The assignment rate includes assignment to all activities listed below, except assessment.

[b]Participation rates include participation for at least one day in either a program-referred or approved self-initiated activity.

[c]"Any activity" includes all activities listed below, except assessment.

[d]Subcategory percentages do not add to the category percentage, because recipients could have been deregistered more than once during the follow-up period.

[e]A SIT is a self-initiated activity (literally, "self-initiated training").

A. Participants' Employment or Transition to Nonmandatory Status

The first panel in the second column of Table 3.3 displays the frequency with which AFDC-FG participants entered employment (as recorded by statewide Unemployment Insurance records), left welfare, or were determined by program staff to have entered a temporary or longer-term nonmandatory status. Most notably, over 60 percent of AFDC-FG participants found

Table 3.2

Participation Patterns Within One Year of Orientation for AFDC-FG Experimental Group Members Who Participated in Jobs-First GAIN Activities

Activity Measure	
Participated in job search (%)	87.5
One spell	83.3
Two or more spells	16.7
Participated in (%)[a]	
Job search only	77.1
Education and training only	11.9
Job search and education and training	10.4
Average number of months in which individuals participated in a Jobs-First GAIN activity[b]	3.3
Number of months in which there was participation (%)[c]	
1	34.8
2	28.9
3	8.9
4 to 6	10.8
7 to 12	16.4
Still participating at the end of year 1 (%)	15.6
Sample size	4,509

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTES: Full sample means and percentages are weighted averages of results for regular and early enrollees.

Measure = (regular enrollee result x percent of experimental and control group regular enrollees in the AFDC-FG sample) + (early enrollee result x percent of experimental and control group early enrollees in the AFDC-FG sample).

[a]The percentage of participants who only participated in work experience or on-the-job training is not shown in the table.

[b]Participants with missing data were excluded from the calculation of the mean.

[c]Subcategory percentages do not sum to 100 percent because of missing data.

Table 3.3

Transitions to Nonmandatory Status Within One Year of Orientation for AFDC-FG Experimental Group Members, by Participation Status

Nonmandatory Status	All	Participated in Jobs-First GAIN Activities	Did Not Participate in Jobs-First GAIN Activities
Percentage in status			
Any nonmandatory status[a]	96.5	92.4	99.0
Off AFDC/TANF	23.9	19.5	26.6
Employed[b]	54.0	64.4	47.5
Deregistered	82.6	78.9	84.9
For employment[c]	39.7	53.1	31.4
Sanctioned	22.8	18.6	25.3
Deferred	26.3	21.3	29.4
Average number of months to start of nonmandatory status[d]			
Any nonmandatory status	1.2	1.8	0.9
Off AFDC/TANF	5.8	6.4	5.6
Employed[b]	1.9	1.8	1.9
Deregistered	3.0	4.8	2.3
For employment[c]	3.0	3.5	2.5
Sanctioned	5.4	6.1	5.1
Deferred	2.1	2.9	1.8
Sample size	11,521	4,509	7,012

SOURCE: MDRC calculations using data from the GAIN Employment Activity Reporting System (GEARS), California Employment Department Unemployment Insurance earnings records, and LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTES: Full sample means and percentages are weighted averages of results for regular and early enrollees.

Measure = (regular enrollee result x percent of experimental and control group regular enrollees in the AFDC-FG sample) + (early enrollee result x percent of experimental and control group early enrollees in the AFDC-FG sample).

[a]Subcategory percentages do not add to category percentages because sample members could enter more than one nonmandatory status.

[b]Calculated from automated UI earnings records. Some employment may not have been known to Jobs-First GAIN staff.

[c]Calculated from GEARS program tracking records. All employment was known to Jobs-First GAIN staff.

[d]Only sample members who entered a particular nonmandatory status were included in the calculation.

a job during the first year, an indication that the program's job club curriculum and job development efforts were paying off. As shown, employment levels exceeded the rate by which participants exited from AFDC/TANF by a wide margin (64 percent and 20 percent, respectively) — an indication that earnings levels at initial jobs were relatively low and that most former job club participants were combining work and welfare. The vast majority (nearly 80 percent) of AFDC-FG participants were deregistered from the program during the first year; that is, they were no longer required to participate. Most entered this status because of employment at 30 or more hours per week.[8]

B. Nonparticipants' Employment or Transition to Nonmandatory Status

As discussed above, most experimental group members did not participate in a Jobs-First GAIN activity. Low participation rates do not necessarily indicate that the program was unsuccessful. As discussed earlier, even nonparticipants received some exposure to the program's Work First message and information on DPSS's Work Pays incentives. In this way, the program may have directly or indirectly encouraged nonparticipants to find a job on their own initiative. If so, these outcomes contributed to the program's overall effects on employment and welfare receipt. For these reasons, it is important to measure the percentage of nonparticipants who found work during the first year after orientation.

An additional issue concerns program "coverage," here defined as the extent to which Jobs-First GAIN enrollees either participated, received a financial sanction for nonparticipation, or entered a nonmandatory status during the follow-up. High coverage rates suggest that staff were fulfilling at least the minimum case management requirements for a successful program — that is, learning of and reacting to the change in circumstances in an enrollee's life that prevented her from participating in an employment-related activity. A low coverage rate indicates that staff were not monitoring enrollees well.[9]

As shown in the third column of Table 3.3, just under half of the nonparticipant group found a job during the first year of follow-up, based on statewide UI earnings records. Strikingly, a much higher percentage — more than five out of every six AFDC-FG nonparticipants — were deregistered by program staff, but most for reasons other than employment. Nearly 30 percent of nonparticipants received a temporary exemption (deferral) from the program's participation requirements, sometimes in advance of receiving a longer-term deregistration. Thus, Jobs-First GAIN staff learned of and reacted to changes of circumstances for nearly every nonparticipant. Almost no one in the experimental group was "lost in the system."

The low Jobs-First GAIN assignment and participation rates resulted in part from the large number of exemptions from program participation that were granted to experimental group

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[8]As shown, the percentage receiving a deregistration for employment (as recorded on GEARS) was lower than the percentage who entered employment (as recorded on the statewide Unemployment Insurance system). Most likely, the difference occurred because some experimental group members found work, then stopped contacting their Jobs-First GAIN case manager. In addition, some employment recorded on the UI system was probably part time and would not have resulted in a deregistration for employment.

[9]A much better indicator of program coverage (used in Hamilton et al., 1997, pp. 121-124) is to calculate what proportion of the total months in which each enrollee was mandated to participate in a program activity (that is, was not deregistered) was deferred for employment or was in sanction status. GEARS data do not support estimation of this measure.

members. As discussed in Chapter 2, some experimental group members received exemptions (recommendations to end mandatory participation status) during their initial appraisal meetings, when case managers determined that they no longer met the criteria to be considered mandatory for the program. Immediately following random assignment, Jobs-First GAIN case managers recommended exemptions for 13 percent of experimental group members (not shown in tables). They later deregistered virtually all these individuals from the program.[10]

The findings on employment for nonparticipants suggest that the program's message and mandates may produce positive results beyond those achieved through attendance in job club. Further, the high rate of transition of nonparticipants to a nonmandatory status indicates that program staff were monitoring and reacting to changes in enrollees' circumstances. It should also be kept in mind, however, that at the same time, employment levels for nonparticipants fell below those of program participants. Possibly, Jobs-First GAIN could have achieved greater employment overall through additional investment in staffing and development of case management strategies designed to increase participation in job club.[11]

C. Temporary Deferrals from Mandatory Participation

Under California regulations in effect prior to April 1, 1998, welfare recipients with certain barriers to participation were temporarily excused, or deferred, from Jobs-First GAIN's participation requirements. Common reasons for granting deferrals included medically verified illness and "severe family crisis." Originally, recipients who were employed part time were also deferred; a state law passed in late 1995, however, required these recipients to participate in Jobs-First GAIN until they found full-time employment.[12]

Mainly as a result of this change in policy, the Jobs-First GAIN deferral rate is lower than the deferral rates of previously evaluated GAIN programs. As shown in Table 3.1 and Appendix Table C.2, about one-fourth of AFDC-FGs were deferred from participation in Jobs-First GAIN during the first year of follow-up. The earlier, six-county GAIN evaluation, however, found that almost half of all single parents in Los Angeles and Riverside received deferrals (enrollees in these programs could be deferred for as little as 15 hours per week of employment). Rates of deferral were somewhat higher for nonparticipants (29 percent) than for participants in Jobs-First GAIN activities (21 percent).

Appendix Table C.2 displays the most common reasons why AFDC-FGs received their first deferral. As shown, the pattern varies somewhat for participants and nonparticipants. No single reason accounts for more than a third of all deferrals, but Jobs-First GAIN case managers

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[10]While Income Maintenance (IM) workers attempted to screen out nonmandatory recipients before making referrals to Jobs-First GAIN, a recipient's status could change from mandatory to nonmandatory between her meeting with an IM worker and her appraisal with a Jobs-First GAIN case manager. To avoid costly modifications to GEARS, Jobs-First GAIN administrators decided that exemptions would be granted after random assignment, rather than before.

It is certain that the control group contains a similar proportion who no longer met Jobs-First-GAIN-mandatory criteria at the time of random assignment. These persons could not be identified, however, because control group members did not attend appraisal meetings with Jobs-First GAIN staff.

[11]Participants and nonparticipants may also differ in measured and nonmeasured background characteristics that might have affected their chances of finding employment.

[12]Weissman, 1997, p. 67.

most often deferred nonparticipants because they were attending an education or training program on their own initiative at the time of random assignment. Such activities are known in the Jobs-First GAIN office as "unapproved SITs" (self-initiated training).[13] Case managers granted these deferrals to allow enrollees time to complete their unapproved SIT before receiving assignment to job club or to another approved activity. These experimental group members did not complete this process during the first year of follow-up, however. Illness, severe family crisis, and lack of child care constitute the other most common reasons for which nonparticipants received a temporary deferral from the program's mandatory participation requirement. These problems also most commonly resulted in deferrals for members of the experimental group who participated in a Jobs-First GAIN activity.

D. Formal Enforcement Procedures and Sanctioning

An experimental group member who failed to attend her assigned activity received a notice outlining the sanction (a reduction in her grant amount) that would be applied if the problem continued. If she did not comply at that point, a conciliation process was initiated, providing her with another notice and opportunity to resolve the problem and avoid a sanction. If the experimental group member continued to fail to comply, her welfare grant was reduced.[14] The first instance of a sanction remained in effect until she met with program staff and resolved her noncompliance with participation requirements. A second sanction lasted a minimum of three months, and subsequent sanctions lasted at least six months. Experimental group members who incurred a second or third sanction could not resume participation until the sanction period ended.

Data from Table 3.1 demonstrate that Jobs-First GAIN case managers used formal enforcement procedures very often, although the process only sometimes resulted in imposition of a financial sanction. As shown, 72 percent of experimental group members entered the conciliation process during year 1, because they did not show up for an assigned activity or for a scheduled meeting with Jobs-First GAIN staff or because they stopped attending a program activity without good cause. The proportion ever in conciliation exceeds the proportion ever assigned to an activity, because it includes conciliation for failure to show up for deferral reviews or for scheduled appraisal meetings for enrollees reassigned to the program following a deregistration. Some experimental group members also entered conciliation status during their initial appraisal meeting following random assignment, when they refused to accept an assignment to job club.

Table 3.4 provides more detailed information about imposition of financial sanctions for noncompliance. A little more than one in five AFDC-FGs incurred a reduction in their welfare check (a sanction) during the first year of follow-up. The sanction rate for Jobs-First GAIN exceeds the level of sanctioning for the earlier Los Angeles GAIN and Riverside GAIN programs (less than 10 percent). Some employment-focused welfare-to-work programs operating in the

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[13]The participation rates presented above do not include unapproved SITs, so the actual rate of overall participation was slightly higher than 38 percent. Case managers did not track participation in unapproved SITs, except during scheduled deferral review meetings with enrollees.

[14]Weissman, 1997, p. 66.

1990s, however, sanctioned comparably large proportions.[15,16] As might be expected, Jobs-First GAIN staff imposed sanctions more frequently on nonparticipants (25 percent) than on sample members who participated in a Jobs-First GAIN activity (19 percent).

The remaining data on sanctioning in Table 3.4 concern only those sample members who incurred a sanction during the first year of follow-up. The most striking finding from this table is that sanctions lasted a relatively short time, a little over two months on average. Over half of sanction spells ended after one month, and only one in 10 experimental group members who incurred a sanction during year 1 remained in sanction status at the end of the year.[17]

Program administrators and staff sometimes describe sanctioning as a last step in convincing enrollees to participate in mandated employment-related activities. Findings displayed in the bottom panel of Table 3.4 show that relatively few experimental group members attended a Jobs-First GAIN activity following a sanction: about 27 percent of participants and 9 percent of all experimental group members who incurred a sanction. Welfare exits were also uncommon. More frequently, experimental group members began working or entered a nonmandatory status after incurring a loss of welfare dollars.[18]

E. Participation Patterns for Key Subgroups

1. Regular and Early Enrollees. As discussed in the previous chapters, early enrollees asked DPSS to enroll them in Jobs-First GAIN before they reached the top of the waiting list for services, whereas regular enrollees waited until DPSS required them to enter the program. It would be expected, therefore, that a higher percentage of early enrollees would participate in employment-related activities. Participation patterns for these two subgroups confirm this hypothesis. As shown in Table 3.1, rates of assignment and participation for early enrollees exceeded levels for regular enrollees by a wide margin. In the first year of follow-up, program staff referred 70 percent of early enrollees to a Jobs-First GAIN activity, compared to 51 percent of regular enrollees. The overall participation levels of early and regular enrollees (54 and 34 percent, respectively) reflect the differences in assignment rates. More early enrollees than regular enrollees participated in every specific type of activity: 45 percent versus 30 percent went to job search, and 15 percent versus 7 percent attended an education or training activity. These differences most likely reflect the greater motivation to participate on the part of the early enrollees.

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[15]Sanction rates over a two-year follow-up ranged from 9 percent for the Riverside LFA program to 42 percent for the Grand Rapids, Michigan, LFA program. The Atlanta, Georgia, LFA program and the employment-focused program in Portland, Oregon, each sanctioned about 20 percent of enrollees. See Hamilton et al., 1997, Table 5.3, p. 115; and Scrivener et al., 1998, Table 3.3, p. 54.

[16]The sanction rate presented in this report differs from the sanction measure presented in Freedman, Mitchell, and Navarro (1998). The previous Working Paper included deregistrations due to sanction, some of which were recorded when the case manager entered a request to Income Maintenance to impose a sanction when the next welfare check was issued. The more conservative measure chosen for this report uses only records of actual sanction starts, from GEARS noncompliance records.

[17]The length of a sanction spell was truncated by the end of follow-up for those still sanctioned. Sanction spells were considered to have ended when an experimental group member stopped receiving welfare payments.

[18]Employment starts were recorded from statewide UI earnings records. For this analysis, the first day of the quarter of employment was compared to the start date of the sanction (recorded from GEARS). Employment was considered to have begun after a sanction if it occurred during a quarter following the sanction start. Possibly, some experimental group members began working and stopped contacting their Jobs-First GAIN case manager, thereby incurring a financial sanction.

Los Angeles Jobs-First GAIN Evaluation

Table 3.4

Patterns of Incurring a Sanction Within One Year of Orientation for AFDC-FG Experimental Group Members, by Participation Status

Sanction Status	All	Participated in Jobs-First GAIN Activities	Did Not Participate in Jobs-First GAIN Activities
Sanctioned (%)	22.8	18.6	25.3
For individuals who incurred a sanction			
Average number of months to start of sanction	5.4	6.1	5.1
Average number of months in sanction status	2.3	2.0	2.4
Number of months in sanction status (%)			
1	54.9	59.3	52.8
2 to 3	19.4	20.1	19.1
4 to 6	22.5	18.8	24.2
7 to 12	3.3	1.9	3.9
Status following first sanction (%)[a]			
Remained in sanction status until end of follow-up	10.0	10.1	9.9
Participated in Jobs-First GAIN activity	8.5	27.1	0.0
Off AFDC/TANF	15.5	11.1	17.4
Employed[b]	40.7	44.9	38.9
Deregistered	24.1	25.9	23.2
Deferred	8.3	7.2	8.8
Other[c]	25.6	20.2	28.0
Sample size	11,521	4,509	7,012

SOURCE: MDRC calculations using data from the GAIN Employment Activity Reporting System (GEARS), California Employment Department Unemployment Insurance earnings records, and LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTES: Full sample means and percentages are weighted averages of results for regular and early enrollees.

Measure = (regular enrollee result x percent of experimental and control group regular enrollees in the AFDC-FG sample) + (early enrollee result x percent of experimental and control group early enrollees in the AFDC-FG sample).

[a]Subcategory percentages do not add to the category percentage because sample members who could enter more than one status after their first sanction.

[b]Calculated from automated UI earnings records. Some employment may not have been known to Jobs-First GAIN staff.

[c]Includes awaiting assignment to or start of next program activity and return to conciliation status.

Deferral rates were slightly lower for early enrollees (22 percent versus 27 percent), probably because early enrollees would not have agreed to enter the program sooner than necessary had they suffered from an illness or experienced another barrier to participation. Surprisingly, the same percentage of early and regular enrollees entered the conciliation process (72 percent), and similar proportions incurred a grant sanction (21 and 23 percent, respectively).[19]

2. Educational Attainment. As shown in Table 3.5, participation levels for high school graduates and GED recipients closely matched those for nongraduates: Nearly 40 percent of experimental group members in each subgroup participated in job club, compared to less than 10 percent who attended an education or training class. The consistency of these results demonstrates once again the Work First focus of Jobs-First GAIN. In contrast, experimental group members without a high school degree or GED certificate in the earlier evaluation of Los Angeles GAIN were five times more likely to attend basic education classes than job clubs.[20]

3. GAIN Region and Racial/Ethnic Group. Participation levels varied by race and ethnicity and by GAIN region. (Findings for these two types of subgroups are related in that members of particular racial and ethnic groups were concentrated in particular regions in the county. See Chapter 2.) For instance, nearly half of experimental group members in the Central and Southeastern Regions took part in a job search GAIN activity, mostly in job club, compared to around 30 percent in the outlying northern regions of San Fernando Valley and San Gabriel Valley. Similarly, participation levels were highest among experimental group members who were African-American or Hispanic, but markedly lower among whites and Asians. DPSS operated job clubs in Armenian and in Vietnamese and other Southeast Asian languages, so it is not immediately clear why these differences occurred.

F. Comparison of Participation Patterns to Other Programs'

As shown in Appendix Table C.1, participation patterns for AFDC-FGs most closely resemble rates for members of the Riverside Labor Force Attachment (LFA) program. In both programs, overall participation levels were low. Further, the vast majority of sample members who participated in employment-related activities attended job club. Fewer than 10 percent of sample members in either program attended an education or training activity. In contrast, Riverside's earlier GAIN program, whose success inspired creation of Jobs-First GAIN, made far greater use of education and training activities.

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[19] One of the reasons early enrollees received as many sanctions for noncompliance as regular enrollees despite having volunteered to participate may have been because they were not aware of what they were volunteering for. Welfare recipients often expected that Jobs-First GAIN's primary purpose was to provide them with education and training (see Weissman, 1997, p. 42). Also, some early enrollees may have signed up for the program with the hope of obtaining child care assistance while continuing self-initiated education or training activities.

[20] See Riccio et al., 1994, Table C.5, p. 312. As shown, a similar percentage of high school graduates and GED recipients participated in job club or in education or training.

Table 3.5
Rates of Participation and Status Among AFDC-FG Experimental Group Members Within One Year of Follow-Up Period, by Region and Subgroup

Region and Subgroup	Sample Size	Participated (%) Any Activity	Job Club	Any Education and Training	Sanctioned (%)	Deregistered (%)
San Fernando Valley (Region 2)	2,021	29.2	27.5	4.0	18.7	83.5
San Gabriel Valley (Region 3)	2,847	32.9	30.0	6.3	19.1	83.4
Central (Region 4)	1,962	48.2	41.0	12.5	27.2	80.7
Southern (Region 5)[a]	2,538	37.4	32.2	8.3	25.0	82.4
Southeastern (Region 6)	2,153	47.0	39.3	12.9	25.3	82.8
Has a high school diploma or GED	5,232	37.0	31.9	8.0	22.1	81.3
Does not have a high school diploma or GED	6,289	39.3	34.8	9.0	23.3	83.8
White	1,977	28.1	25.4	5.3	22.2	82.0
African-American	3,606	42.1	36.3	9.6	27.2	82.6
Hispanic	5,235	42.1	36.9	9.7	21.5	82.7
Asian	671	19.1	16.6	3.7	10.6	83.7

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS) and LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTES: Full sample means and percentages are weighted averages of results for regular and early enrollees.

Measure = (regular enrollee result x percent of experimental and control group regular enrollees in the AFDC-FG sample) + (early enrollee result x percent of experimental and control group early enrollees in the AFDC-FG sample).

[a]This region serves the low-income communities of Watts, Compton, and North Long Beach.

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IV. Results for AFDC-Us

A. Rates of Assignment and Participation

In general, members of two-parent families (AFDC-Us) show similar patterns of participation and status as those described above for single parents: Relatively few AFDC-Us participated in Jobs-First GAIN activities, most participants attended one spell of job club, and very few AFDC-Us were still participating at the end of year 1. (See Table 3.6 and Appendix Table C.3.) Specifically, Jobs-First GAIN case managers assigned 45 percent of AFDC-Us to a program activity — a lower assignment rate than for AFDC-FGs (55 percent). Just under a third (30 percent) of AFDC-Us participated in an activity for at least one day. This rate is slightly lower than the rate for the earlier, education-focused Los Angeles GAIN (36 percent) and less than half the rate of Riverside GAIN (66 percent).[21] The largest percentage of AFDC-Us attended job club (28 percent), and almost all participants (93 percent) attended job search first. Only about 4 percent of AFDC-Us attended any of the education or training activities, including basic education.[22]

As was true for AFDC-FGs, the low rates of assignment and participation for AFDC-Us can be partly explained by their high rate of exemptions during their initial appraisal meetings: 18 percent were recommended for an exemption right at that time, and most of these recipients were eventually deregistered from the program (not shown in tables).

AFDC-Us also displayed a similar pattern of transition to employment or to a nonmandatory status. As shown in Appendix Table C.4, two-thirds of participants in Jobs-First GAIN activities (that is, in job club) found employment, a notable success for the program, but nearly half of the larger portion of nonparticipants also worked for pay during year 1. As with AFDC-FGs, most AFDC-U experimental group members remained on welfare during year 1, even if they were working for pay. Nonetheless, a very high percentage of experimental group members (about 85 percent of both participants and nonparticipants) changed to long-term nonmandatory status — that is, they were deregistered. In comparison, a lot fewer AFDC-Us (just 34 percent) were deregistered from the education-focused Los Angeles GAIN program, whereas a similar proportion (80 percent) left Riverside GAIN. (See Appendix Table C.1.) The rate of deregistration for employment was particularly high for program participants (66 percent), possibly because Jobs-First GAIN's Work Pays incentives increased the benefits of reporting earned income to DPSS. At some point in the follow-up period, case managers temporarily excused 38 percent of AFDC-Us from participation in Jobs-First GAIN. In comparison, 70 percent of the Los Angeles GAIN sample and 42 percent of the Riverside GAIN sample were deferred.

Jobs-First GAIN case managers initiated formal enforcement procedures very frequently for AFDC-Us, but they imposed financial sanctions much less often. More than two-thirds (68 percent) of AFDC-Us encountered the conciliation process in year 1. (See Table 3.6.) On the other hand, only about one in six AFDC-Us received a sanction for noncompliance, a somewhat smaller percentage than for AFDC-FGs. As shown in Appendix Table C.6, AFDC-Us who in-

[21] Participation findings for AFDC-Us in the Riverside LFA program are not available at this time.

[22] Case managers assigned 43 percent of AFDC-Us to job search activities and just 2 percent to basic education. These results are not shown in tables.

Los Angeles Jobs-First GAIN Evaluation

Table 3.6

Rates of Participation and Status Within One Year of Orientation for AFDC-U Experimental Group Members

Participation Status (%)	All
Assigned to any activity[a]	45.0
Ever participated in:[b]	
Any activity[c]	30.1
Job search	28.2
Any education or training	3.5
Basic education	1.9
ESL	1.0
ABE	0.2
GED	0.4
High school	0.2
Vocational training	1.9
Work experience	2.1
On-the-job training	0.0
Assessment	3.0
Deregistered for any reason[d]	85.4
For employment	48.9
For sanction	20.5
For other reason	39.9
In conciliation	67.9
Sanctioned	16.7
Deferred for any reason	38.1
For unapproved SIT[e]	5.5
Sample size	4,039

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTES:

[a]The assignment rate includes assignment to all activities listed below, except assessment.

[b]Participation rates include participation for at least one day in either a program-referred or approved self-initiated activity.

[c]"Any activity" includes all activities listed below, except assessment.

[d]Subcategory percentages do not add to the category percentage, because recipients could have been deregistered more than once during the follow-up period.

[e]A SIT is a self-initiated activity (literally, "self-initiated training").

curred a sanction tended to stay in sanction status for a month or two before finding work or entering another nonmandatory status. Fewer than 10 percent of sanctioned AFDC-Us remained in this status at the end of year 1.

Thus, as with AFDC-FGs, relatively few members of the AFDC-U experimental group participated in Jobs-First GAIN activities, but almost all AFDC-Us were monitored, at least minimally, by Jobs-First GAIN case managers. Further, case managers implemented and recorded decisions concerning the eligibility for program services of nearly every AFDC-U. Almost no one was "lost in the system."

B. Results for Subgroups

As discussed in Chapter 2, the AFDC-U sample is relatively evenly divided between males and females. AFDC-U fathers possess longer work histories than AFDC-U mothers in the sample, and would therefore be expected to have fewer difficulties finding employment after random assignment. Possibly their differences in this and other background characteristics would affect the experiences of male and female AFDC-Us in Jobs-First GAIN — that is, in their likelihood of attending job club or in the frequency by which they incurred a sanction or changed to nonmandatory status (were deregistered). As shown in Table 3.7, male AFDC-Us had somewhat more contact with the program, but the differences in patterns of participation and program statuses were not large. Participation levels for male AFDC-Us (32 percent) slightly exceeded the rate for females (28 percent), but a higher percentage of males than females incurred a sanction (19 percent versus 14 percent). In addition, deregistration rates were higher for males.

Subgroups defined by level of educational attainment, by race and ethnicity, and by GAIN region showed greater variation in levels of participation and frequency of incurring a sanction (see Table 3.7). For instance, about a third of AFDC-Us who entered Jobs-First GAIN without a high school diploma or GED certificate attended job club, compared to just 23 percent of high school graduates and GED recipients. A more dramatic difference in participation levels occurred among the four largest racial and ethnic subgroups among AFDC-Us. Specifically, participation levels for Hispanics and African-Americans were two to three times higher than the participation rates for whites or for first- or second-generation immigrants from Vietnam, Cambodia, or another Asian country. African-Americans and Hispanics were also much more likely to incur a financial sanction during the first year of follow-up. Similarly, AFDC-Us from the San Fernando Valley Region, 60 percent of whom are white, participated in a Jobs-First GAIN activity much less often than sample members residing elsewhere in the county. In contrast, AFDC-Us from the Southeastern Region, nearly all of whom are Hispanic, recorded the highest levels of participation among AFDC-Us.

Table 3.7
Rates of Participation and Status Among AFDC-U Experimental Group Members Within One Year of Follow-Up Period, by Region and Subgroup

Region and Subgroup	Sample Size	Participated (%) Any Activity	Job Club	Any Education and Training	Sanctioned (%)	Deregistered (%)
San Fernando Valley (Region 2)	1,209	18.7	17.6	1.3	13.6	82.8
San Gabriel Valley (Region 3)	1,095	29.6	28.4	2.3	14.2	88.1
Central (Region 4)	472	29.2	26.3	4.9	19.3	85.0
Southern (Region 5)[a]	481	32.8	30.8	4.8	19.5	86.5
Southeastern (Region 6)	782	47.3	43.9	7.2	21.9	85.3
Has a high school diploma or GED	1,650	24.5	22.7	3.0	15.9	83.0
Does not have a high school diploma or GED	2,389	34.0	32.0	3.9	17.3	87.1
White	1,149	14.1	13.0	1.7	13.4	82.9
African-American	212	38.2	37.3	5.7	25.9	78.8
Hispanic	1,906	42.8	40.3	4.8	20.3	86.5
Asian	766	20.5	18.5	2.5	10.4	88.4
Male	2,118	32.2	30.7	2.8	19.3	89.0
Female	1,921	27.9	25.5	4.4	13.8	81.5

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS) and LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTE: [a]This region serves the low-income communities of Watts, Compton, and North Long Beach.

Chapter 4

Impacts for AFDC-FGs

This chapter describes the impact of Jobs-First GAIN on single parents' (AFDC-FGs') employment, average earnings, and welfare and Food Stamp payments, as well on the combined income from these three sources. As mentioned previously, sample members were randomly assigned to either an experimental or a control group. Results for control group members represent the outcomes that welfare recipients would be expected to achieve in the absence of Jobs-First GAIN. Experimental-control group differences in outcome measures represent the *impacts* of Jobs-First GAIN — that is, the extra value associated with access to Jobs-First GAIN services and exposure to its Work First message and participation requirements. Welfare received after random assignment will be referred to as AFDC/TANF, because California received its first TANF block grant in the last quarter of 1997, which falls at the end of the follow-up period.

I. Key Questions About Impacts

- Did Jobs-First GAIN meet the expectations for Work First programs by producing large initial boosts in employment and earnings?
- Did Jobs-First GAIN reduce AFDC/TANF and Food Stamp receipt and payments?
- Did Jobs-First GAIN help experimental group members become more self-sufficient by the end of year 1? Did it increase their likelihood of working without welfare or of combining work and welfare?
- Did Jobs-First GAIN make experimental group members better off financially during year 1, or were their earnings gains offset by public assistance reductions?
- Was Jobs-First GAIN more effective than the previous, education-focused Los Angeles GAIN program of the late 1980s and early 1990s in increasing employment and earnings and reducing welfare receipt? How did the program's accomplishments compare to those of Riverside GAIN and Riverside LFA, two earlier versions of Work First programs?
- Did impacts differ for sample members who entered Jobs-First GAIN before they were required to enroll (early enrollees) and for sample members who waited until they were called into the program (regular enrollees)?
- Were impacts limited to certain groups within the welfare population, or did they occur for a variety of recipients, including those with the most severe barriers to employment?

II. Background Information for Interpreting Results

A. Possible Effects of Jobs-First GAIN

Work First programs — whether they take a job-search-first approach, as in Los Angeles Jobs-First GAIN, or provide mixed services — are expected to produce large gains in employment and earnings (averaged across all sample members) early in the follow-up period. Prior research on Work First programs has shown that these increases are a precondition for longer-term success. All Work First programs that achieved employment and earnings gains over several years produced gains in year 1; Work First programs with little-to-no employment and earnings increases in year 1 did not produce large gains in later years.[1]

It is expected that Los Angeles Jobs-First GAIN will increase employment and earnings in three main ways. The program's heavy reliance on job club and supervised job search activities should result in employment for a portion of recipients who would have remained jobless without the program. In addition, Jobs-First GAIN should help sample members who would have eventually gotten work on their own to find a job sooner. Finally, Jobs-First GAIN may help recipients obtain better jobs — longer-lasting and higher-paying jobs — than they would have obtained without the program. Considering that experimental group members were encouraged to accept almost any job at first and later work their way up to better employment, program effects on job quality may not occur until the second year of follow-up.

Jobs-First GAIN may positively affect even those recipients who do not participate in program activities. For instance, enrollees who only experience a Work First message may increase their job-seeking effort. The threat of a grant sanction may also encourage nonparticipants to find a job.

It is also possible for Jobs-First GAIN to affect welfare recipients negatively. Job search activities may not work for subgroups typically considered the least job ready. These individuals might have benefited more from education or training instead. In addition, the program may have a negative effect on job retention by encouraging people to accept lower-quality jobs than they would have accepted on their own. Lastly, sanction-oriented programs like Jobs-First GAIN could send welfare recipients further into poverty by reducing their AFDC/TANF grants before they find employment.

Employment and earnings gains are usually accompanied by AFDC/TANF reductions; however, in states that set high maximum grant levels and offer generous earnings disregards, like California, employment and earnings may increase without a corresponding decrease in welfare receipt. The reverse could also occur: Tough, sanction-oriented programs like Jobs-First GAIN could decrease welfare receipt without increasing employment and earnings.

Effects of employment and earnings gains on Food Stamp receipt are also difficult to predict. The value of a recipient's earnings and welfare benefits helps determine how much she receives in Food Stamps, so the combination of earnings gains and welfare reductions may "cancel out" and result in little or no change to Food Stamp grants. On the other hand, a former welfare

[1]Virginia's job-search-first program in the 1980s and Florida's Project Independence of the early 1990s are examples of programs with little-to-no employment and earnings gains in year 1 and in subsequent years. See Friedlander and Burtless, 1995, Table 4.2; and Kemple et al., 1995, Table 5.1.

recipient may experience a decrease in (or complete loss of) Food Stamps if combined income from earnings and AFDC/TANF increases.

Previous research shows that Work First, job-search-first programs, like Jobs-First GAIN, typically do not make working families better off financially. Their benefit reductions largely, if not entirely, offset their earnings gains.[2] Mixed-services programs, on the other hand, tend to affect income more positively.[3] California's generous earnings disregards increase the likelihood of a positive impact on combined income by enabling people to supplement earnings with a welfare check, but they do not guarantee it.

B. Methods of Estimating Program Effects

In this and the following chapter, Jobs-First GAIN's effects are estimated from quarterly unemployment insurance (UI) earnings records from the California Employment Development Department.[4] The data used to calculate impacts on public assistance came from the Los Angeles Department of Public Social Services Integrated Benefit Payment System (IBPS).

UI earnings are recorded statewide and provide reasonably accurate and unbiased measures of employment, including earnings that sample members obtained both within and outside Los Angeles County. These data, however, are not available for out-of-state earnings or for jobs that are not usually covered by the UI system, such as self-employment, domestic service, or informal child care — work which may have been "off the books"— or for employers who do not report earnings. Some earnings missed by the UI system may be captured by self-reported earnings and employment recorded on the Two-Year Client Survey. Survey results will be presented in future reports.

UI earnings data are collected by calendar quarter: January through March, April through June, July through September, and October through December. For the research, the quarter during which a sample member is randomly assigned is designated quarter 1. The first follow-up year (referred to as year 1) covers quarters 2 through 5, the second year (year 2) covers quarters 6 through 9, and so forth. Monthly AFDC/TANF and Food Stamp payments were grouped into quarters and years covering the same time periods as earnings quarters and years.

One year plus one quarter (through quarter 6) of follow-up data are available for all 20,731 sample members. An early cohort, randomly assigned between April and June 1996 and composing 56 percent of the full sample, has follow-up data through the first half of year 2 (through quarter 7). This cohort will be referred to from here on as the April-June cohort. Under the assumption that its experience will be similar to that of the rest of the sample,[5] the April-June cohort will be used on occasion to examine patterns of impacts over time and probable program effects for the full sample in the second year of follow-up.

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[2]For example, over two years of follow-up, enrollees in the Grand Rapids and Riverside Labor Force Attachment programs lost about as much in AFDC as they gained in earnings. See Hamilton et al., 1997, Table 11.1.

[3]In year 3, Portland JOBS raised combined income from earnings, AFDC, and Food Stamps, and Riverside GAIN increased earnings by almost twice as much as it reduced AFDC payments (impacts on Food Stamp payments were not available). See Scrivener et al., 1998, p. 101; and Riccio et al., 1994, Table 4.1.

[4]Impacts on employment and earnings in this report may differ slightly from those in Freedman et al., 1998, because more recent UI earnings records were analyzed in this report.

[5]This assumption is based on the fact that first-year results for the April-June cohort are similar to first-year results for the full sample.

All impact estimates are regression-adjusted for differences in sample members' baseline characteristics, prior earnings and employment, and prior AFDC and Food Stamp receipt. Regression-adjustment improves the precision of the estimates and reduces their sensitivity to pre-random assignment differences that occur by chance between research groups. Impacts for the entire AFDC-FG sample are weighted averages of the corresponding impacts for regular enrollees and early enrollees.[6] The weights compensate for differences in sampling ratios between the two subgroups and recreate the proportions of regular and early enrollees in the total AFDC-FG sample (see Table 2.1). Differences between the experimental and control groups are considered statistically significant if there is less than a 10 percent probability that they could have occurred by chance. All impact estimates discussed in the text are statistically significant unless otherwise indicated. Rounding may cause slight discrepancies in the calculations of experimental-control group differences reported below.

For this analysis, a *large* impact on employment is defined as a statistically significant experimental-control group difference in employment levels of 10 percentage points or more; *moderate* impacts fall within the 5 to less than 10 percentage point range; and *small* impacts fall below 5 percentage points. *Large* earnings gains are considered to be in excess of $900 per year.

Similarly, reductions in months of public assistance receipt or in total expenditures of 10 percent or more are considered *large; moderate* reductions range from 5 to less than 10 percent; and *small* reductions fall below 5 percent. A similar standard is applied to percentage point differences in levels of AFDC/TANF and Food Stamp receipt: Impacts of 10 percentage points or more are considered *large;* 5 to less than 10 percentage point differences are considered *moderate;* and reductions of less than 5 percentage points are described as *small.*[7]

The benchmarks described above are based on ranges of impact findings from previous experimental evaluations of welfare-to-work programs.

III. Summary of Key Findings

- In the first year of follow-up, Jobs-First GAIN produced a large employment gain and a moderate earnings gain for AFDC-FGs. Experimental group members earned $750 more, on average, than control group members. Quarterly employment impacts declined over time to moderate levels but remained statistically significant at the end of follow-up.

- In year 1, Jobs-First GAIN reduced AFDC/TANF expenditures and receipt by moderate amounts. Experimental group members were on cash assistance about half a month less, on average, than control group members. Average welfare payments decreased by $432, or 7 percent. A substantial portion of

[6]The AFDC-FG impact equals the regular enrollee impact times the proportion of regular enrollees in the AFDC-FG sample *plus* the early enrollee impact times the proportion of early enrollees in the AFDC-FG sample.

[7]To make comparisons to results of other programs more meaningful, reductions in public assistance dollars or month of receipt should be converted to a uniform measure that is less sensitive to site variations in maximum grant levels or in sample member characteristics. One such measure, the *percentage change* in public assistance dollars or months of receipt (a program's impact divided by the control group mean), will be presented throughout this section.

these savings reflect the lower average monthly grants for those still on assistance. (Reductions in average monthly grants can result from more experimental than control group members combining work and welfare and/or receiving sanctions.)

- At the end of year 1, the increase in the percentage working and off AFDC/TANF was modest; the great bulk of the employment gain resulted from more people combining work and welfare.

- Jobs-First GAIN also produced first-year reductions in Food Stamp receipt and expenditures. Food stamp savings will likely continue in year 2.

- During year 1, losses in public assistance largely offset earnings gains, so Jobs-First GAIN had little effect on experimental group members' combined income from earnings, AFDC/TANF, and Food Stamps.

- Through its substantial employment gain and moderate earnings increase, Jobs-First GAIN outdid its predecessor, Los Angeles GAIN, which produced little-to-no first-year impacts on these measures. The program did not achieve as strong results as Riverside GAIN and Riverside LFA, but this disparity may have stemmed from differences in program environments or in *unobservable* characteristics of sample members. (The comparisons controlled for differences in *observed* characteristics.)

- Jobs-First GAIN produced positive impacts in all five of its regions and for many different types of welfare recipients, including those who are typically considered the least job ready. Similar impacts were found for regular enrollees (those who waited until they were called into the program) and early enrollees (those who initially volunteered for the program).

IV. Impacts on Employment and Earnings

As expected, Jobs-First GAIN boosted employment levels during the first year of follow-up. Table 4.1 shows that 54 percent of AFDC-FG experimental group members worked for pay at some point during year 1, versus 43 percent of control group members — a large increase of 11 percentage points. This gain represents the program's effect on job finding, the extent to which it helped find work for sample members who would not have done so on their own. Los Angeles County's falling unemployment rate (see Chapter 1) may have contributed to this substantial effect by increasing the chances that job search activities would lead to employment.

Jobs-First GAIN also enabled experimental group members to find a job sooner and stay employed longer than they would have on their own initiative, although these effects were relatively small. As shown in Table 4.1, control group members who worked in year 1 typically began their first job toward the end of quarter 2 (quarter 2.77) and worked for about eight months

Table 4.1
Impacts on Employment, Earnings, AFDC/TANF, Food Stamps, and Combined Income for AFDC-FGs in the Full Sample

Outcome	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Employed Q2 to 5(%)	54.2	43.3	10.9 ***	25.1
Q2	35.5	25.1	10.4 ***	41.7
Q3	37.4	28.2	9.2 ***	32.5
Q4	38.3	30.5	7.8 ***	25.5
Q5	39.8	32.6	7.2 ***	22.0
Q6	41.7	34.9	6.8 ***	19.6
Quarters employed Q2 to 5	1.51	1.16	0.35 ***	29.7
Earnings Q2 to 5 ($)	3,187	2,438	750 ***	30.8
Q2	614	446	168 ***	37.6
Q3	776	552	224 ***	40.6
Q4	845	660	185 ***	28.1
Q5	952	780	172 ***	22.1
Q6	1,075	864	210 ***	24.3
If ever employed in year 1				
Quarters employed	*2.79*	*2.69*	*0.10* [a]	*3.6*
Quarter of first employment	*2.62*	*2.77*	*-0.15* [a]	*-5.4*
Quarters in first employment spell	*2.69*	*2.60*	*0.09* [a]	*3.6*
Average earnings per quarter employed ($)				
Q2 to 5	*2,110*	*2,093*	*17* [a]	*0.8*
Ever received AFDC/TANF Q2 to 5 (%)	97.6	97.9	-0.3	-0.4
Months received AFDC/TANF Q2 to 5	9.98	10.46	-0.48 ***	-4.6
Received AFDC/TANF (%)				
Q2	97.2	97.6	-0.4	-0.4
Q3	90.2	92.7	-2.5 ***	-2.7
Q4	83.6	88.1	-4.6 ***	-5.2
Q5	78.2	82.5	-4.3 ***	-5.2
Q6	73.4	77.9	-4.5 ***	-5.8
AFDC/TANF amount Q2 to 5 ($)	5,363	5,795	-432 ***	-7.5
Q2	1,573	1,620	-47 ***	-2.9
Q3	1,395	1,505	-111 ***	-7.4
Q4	1,244	1,387	-143 ***	-10.3
Q5	1,152	1,283	-131 ***	-10.2
Q6	1,063	1,188	-125 ***	-10.5

(continued)

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Table 4.1 (continued)

Outcome	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Ever received Food Stamps Q2 to 5 (%)	94.0	94.2	-0.2	-0.2
Months received Food Stamps Q2 to 5	9.71	10.13	-0.42 ***	-4.1
Received Food Stamps (%)				
Q2	92.9	93.2	-0.3	-0.3
Q3	86.7	89.0	-2.3 ***	-2.6
Q4	81.0	85.1	-4.1 ***	-4.8
Q5	76.4	80.1	-3.8 ***	-4.7
Q6	72.0	76.1	-4.2 ***	-5.5
Food Stamps amount Q2 to 5 ($)	2,005	2,179	-174 ***	-8.0
Q2	557	575	-19 ***	-3.2
Q3	516	558	-42 ***	-7.5
Q4	485	545	-59 ***	-10.9
Q5	447	501	-54 ***	-10.7
Q6	411	461	-51 ***	-11.0
Average combined income Q2 to 5 ($)[b]	10,555	10,411	144	1.4
Sample size (total = 15,683)	11,521	4,162		

SOURCE: MDRC calculations from California Employment Development Department Unemployment Insurance earnings records and LA DPSS Integrated Benefit Payment System AFDC/TANF and Food Stamp payment records.

NOTES: The quarter of random assignment, quarter 1, may contain some earnings, AFDC/TANF payments, or Food Stamp payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Impacts for all AFDC-FGs are weighted averages of impacts for regular enrollees and early enrollees: AFDC-FG impact = (regular enrollee impact x percent of regular enrollees in AFDC-FG sample) + (early enrollee impact x percent of early enrollees in AFDC-FG sample).

Unless shown in italics, dollar averages include zero values for sample members not employed and for sample members not receiving welfare. Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Italicized estimates cover only periods of employment. Differences between experimental group members and control group members for such "conditional" estimates are not true experimental comparisons.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the experimental and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a]Not a true experimental comparison; statistical tests were not performed.

[b]"Combined income" is income from earnings, AFDC/TANF, and Food Stamps.

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(2.69 quarters) thereafter.[8] In comparison, employed experimental group members started working about two weeks (.15 quarter) sooner and remained employed about a week (.10 quarter) longer. (These comparisons are nonexperimental, because employed experimental group members may differ from employed control group members in observed and unobservable pre-random assignment characteristics.)

Jobs-First GAIN raised AFDC-FGs' average total earnings by a moderate amount during the first year of follow-up. As shown in Table 4.1, the typical control group member earned $2,438 in year 1, whereas experimental group members earned $3,187 — a gain of $750. (These averages include zeros for those not working during year 1.) Earnings gains may occur for a number of reasons: (1) because a higher percentage of experimental group members found employment (the effect on job-finding); (2) because employed experimental group members worked more quarters on average than employed control group members (the effect on employment duration); or (3) because employed experimental group members earned more on average for each quarter they worked. The last measure is the most direct indicator of a program's improvement of job quality. As would be expected for a Work First program, the vast majority (82 percent) of Jobs-First GAIN's first-year earnings impact was due to increased job-finding.[9] Longer employment duration, as measured by the average number of quarters of employment for those employed, contributed a small portion (about 12 percent) of the impact. Employed experimental group members earned little more per quarter than employed control group members in the short term (just $17 on average; see Table 4.1), so the contribution of higher earnings on the job was negligible.[10]

Year 1 is too soon to expect Jobs-First GAIN to raise earnings on the job by a large amount, because experimental group members have not had much of a chance to work their way up to higher-paying positions. In the second year of follow-up, however, higher earnings on the job should play a greater roll in the program's overall earnings gains. The fact that employed experimental group members did not earn *less* than their control group counterparts in year 1 is a positive finding: Work First programs could potentially lower average earnings on the job in the short term by putting to work a more disadvantaged subset of the welfare population who would not have found jobs on their own and by encouraging recipients to accept lower-paying jobs than they might have been willing to accept on their own (through the philosophy that any job is a good job).

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[8]The number of months is approximate, because UI earnings data do not indicate in which months of the quarter sample members worked. Averaging measures of quarters across sample members results in fractions of quarters, which are converted into months.

[9]The relative contribution of each effect to the total earnings impact is determined by dividing the percentage change of the effect by the percentage change in the earnings impact. For example, the relative contribution of job-finding equals 25 percent divided by 31 percent, or 82 percent (rounding causes a discrepancy in this calculation).

[10]Differences between employed experimental and control group members are nonexperimental comparisons, because employed experimental group members may differ from employed control group members in observed and unobservable pre-random assignment characteristics. As a consequence, any differences observed during the follow-up period may be caused by preexisting differences rather than by the program. Nevertheless, a positive difference in number of quarters employed would suggest that the program helped employed sample members work more during the follow-up period, either because they found work sooner or because they found jobs that lasted longer. Similarly, a positive difference between the average earnings per quarter for employed experimental group members and employed control group members would suggest that the program helped sample members find jobs with higher hourly wages, longer weekly hours, or more weeks of employment in a quarter — all indications of better job quality (a forthcoming report will rely on survey responses to more precisely measure program effects on job quality).

Employment gains declined over time from large to moderate levels but remained statistically significant at the end of follow-up. The 10 percentage point impact at the beginning of year 1 shrank to 7 percentage points at the beginning of year 2 (quarter 6). This decline resulted from control group members' finding jobs at a faster rate than experimental group members over the course of follow-up (this phenomenon is known as control group "catch-up"), as opposed to the latter group's losing jobs. Experimental group members in the April-June cohort achieved a 7 percentage point employment increase in quarter 7.

Despite the decline in employment impacts, earnings gains remained relatively stable over time (see Figure 4.1). This pattern indicates that in quarter 6, experimental group members earned $210 more, on average, than control group members. For recipients in the April-June cohort, Jobs-First GAIN raised quarter 7 earnings by a large amount, $251.

By boosting employment and earnings immediately, Jobs-First GAIN met the expectations for Work First programs. Additional follow-up is needed, however, to determine whether these impacts will be sustained over the long term. For some previously evaluated employment-focused programs, such as Riverside GAIN, large initial gains persisted into the second year of follow-up. For others, including the Riverside LFA program, they grew much smaller as control group members found jobs on their own.[11] Future MDRC reports will rely on longer-term follow-up data to demonstrate into which pattern Jobs-First GAIN falls.

V. Impacts on Public Assistance

A. AFDC/TANF Receipt and Payments

During the first year of follow-up, control group members in the full sample received cash assistance for an average of 10 and a half months. (See Table 4.1.) Total first-year AFDC/TANF payments averaged $5,795 per control group member. Jobs-First GAIN lowered the average length of time on welfare by half a month, a moderate reduction of 5 percent relative to the control group. For each experimental member, the program saved $432 (7 percent) in welfare payments.

A welfare-to-work program can reduce AFDC/TANF expenditures by decreasing the number of months that recipients remain on welfare (discussed above) or by reducing average monthly grants for those still on welfare. In Jobs-First GAIN, 62 percent of the AFDC/TANF savings resulted from reductions in average months of receipt, and 38 percent is attributable to lower monthly grants.[12] This ratio is similar to the ratios of other job-search-first programs evaluated in the 1990s.[13]

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[11]The Grand Rapids Labor Force Attachment (LFA) program is another example of this phenomenon. See Hamilton et al., 1997, Chapter 9.

[12]The percentage of AFDC/TANF savings attributable to reductions in grant amounts can be calculated using the following formula. The average monthly payment amount for controls multiplied by the reduction in number of months of AFDC/TANF indicates what the AFDC/TANF savings would have been if average monthly payment amounts were the same for experimental and control group members who remained on welfare. In Jobs-First GAIN, this calculation ($554 times .48 month) yields $266, which represents 62 percent of the $432 first-year AFDC/TANF savings. The remainder of the impact on first-year AFDC/TANF payments may have come from re-

(continued)

As shown in Figure 4.2, quarterly impacts on AFDC/TANF payments were very similar for recipients in the full sample and in the April-June cohort. They grew larger over time and were large and statistically significant at the end of follow-up. These findings suggest that Jobs-First GAIN will continue to produce welfare savings at least through the end of year 2.

A year after random assignment (in quarter 5), 83 percent of control group members were still on welfare. Jobs-First GAIN reduced this proportion to 78 percent, a small impact of 4 percentage points. These findings, while positive, suggest that DPSS will face a significant challenge in moving large numbers of recipients off assistance after they complete their second year of welfare receipt.

B. Food Stamp Receipt and Payments

In the year following random assignment, control group members in the full sample received Food Stamps for approximately the same amount of time that they were on welfare: a little over 10 months. Jobs-First GAIN reduced the length of Food Stamp receipt by as much as it reduced the length of AFDC/TANF receipt: about two weeks.

Total Food Stamp expenditures for control group members averaged $2,179 in year 1. In comparison, the typical Jobs-First GAIN enrollee received $2,005 in Food Stamps, a decrease of $174, or 8 percent (around the same size as percent reductions in AFDC/TANF payments).

For the April-June cohort and full sample, quarterly impacts on Food Stamp payments grew throughout most of the follow-up and remained strong and statistically significant at the end. Therefore, the Food Stamp reductions should persist beyond the current follow-up period.

In quarter 5, over three-fourths of April-June cohort control group members received Food Stamps — about the same proportion who received AFDC/TANF. Jobs-First GAIN lowered Food Stamp receipt by a small amount: 4 percentage points.

VI. Impacts on Employment and Welfare Status at the End of Year 1

All welfare-to work programs aim to increase their enrollees' ability to support themselves; however, there are varying degrees of self-sufficiency that welfare recipients can attain. Figure 4.3 illustrates how Jobs-First GAIN affected self-sufficiency by breaking down the experimental and control groups into four categories that are based on employment and AFDC/TANF status at the end of year 1. These categories can be thought of as forming a self-sufficiency continuum. Sample members who were jobless and on AFDC/TANF can be considered the most dependent. Those who combined work and welfare were less dependent than this

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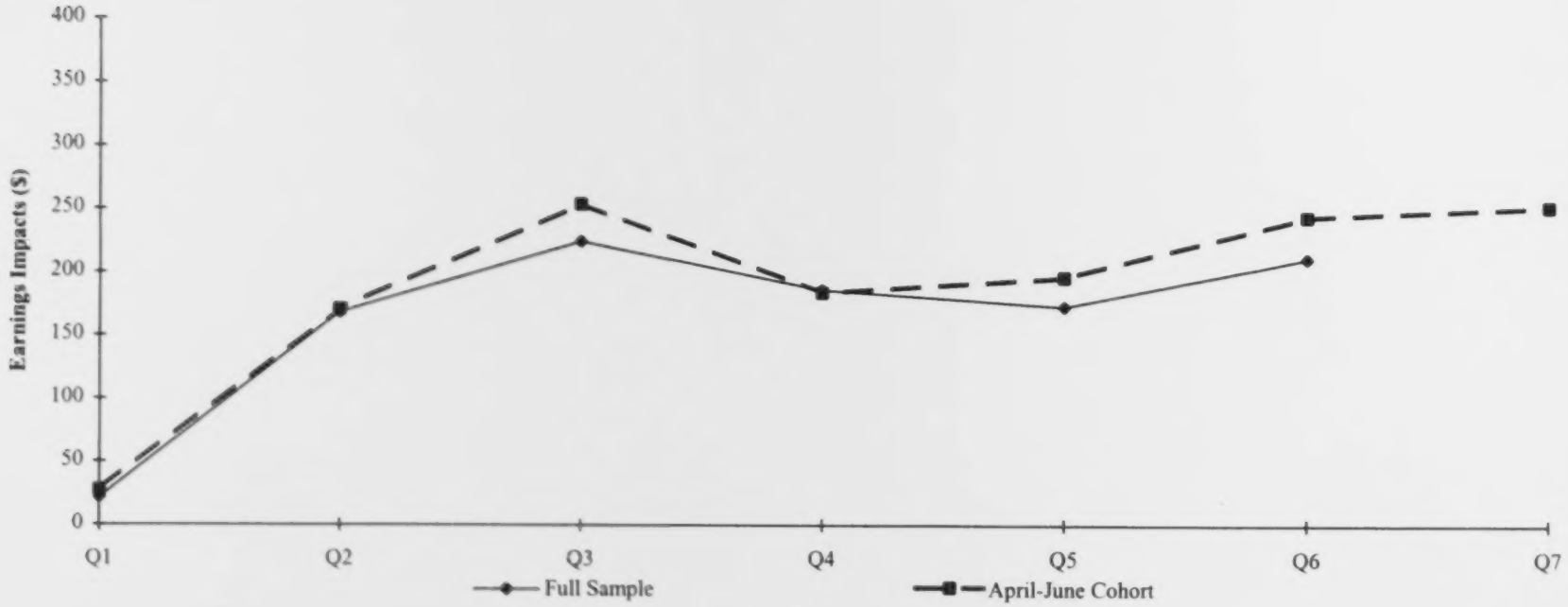
ductions in grants imposed by sanctions or from employment while still on welfare. Alternatively, the overall reduction in months of receipt may have fallen primarily on cases with above-average monthly grant amounts. Decompositions of this sort are only approximations, since they ignore interactions between grant level and case closure.

[13]In studying effects of the labor force attachment approaches in Grand Rapids and Riverside, researchers found that about 60 percent of AFDC savings were associated with experimental group members' spending fewer months on AFDC (Hamilton et al., 1997).

Figure 4.1
Quarterly Impacts on Earnings for AFDC-FGs



SOURCE: MDRC calculations from California Employment Development Department Unemployment Insurance earnings records.

NOTES: The quarter of random assignment, quarter 1, may contain some earnings or AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

The April-June cohort contains sample members randomly assigned between April and June 1996.

Impacts for all AFDC-FGs are weighted averages of impacts for regular enrollees and early enrollees: AFDC-FG impact = (regular enrollee impact x percent of regular enrollees in AFDC-FG sample) + (early enrollee impact x percent of early enrollees in AFDC-FG sample).

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

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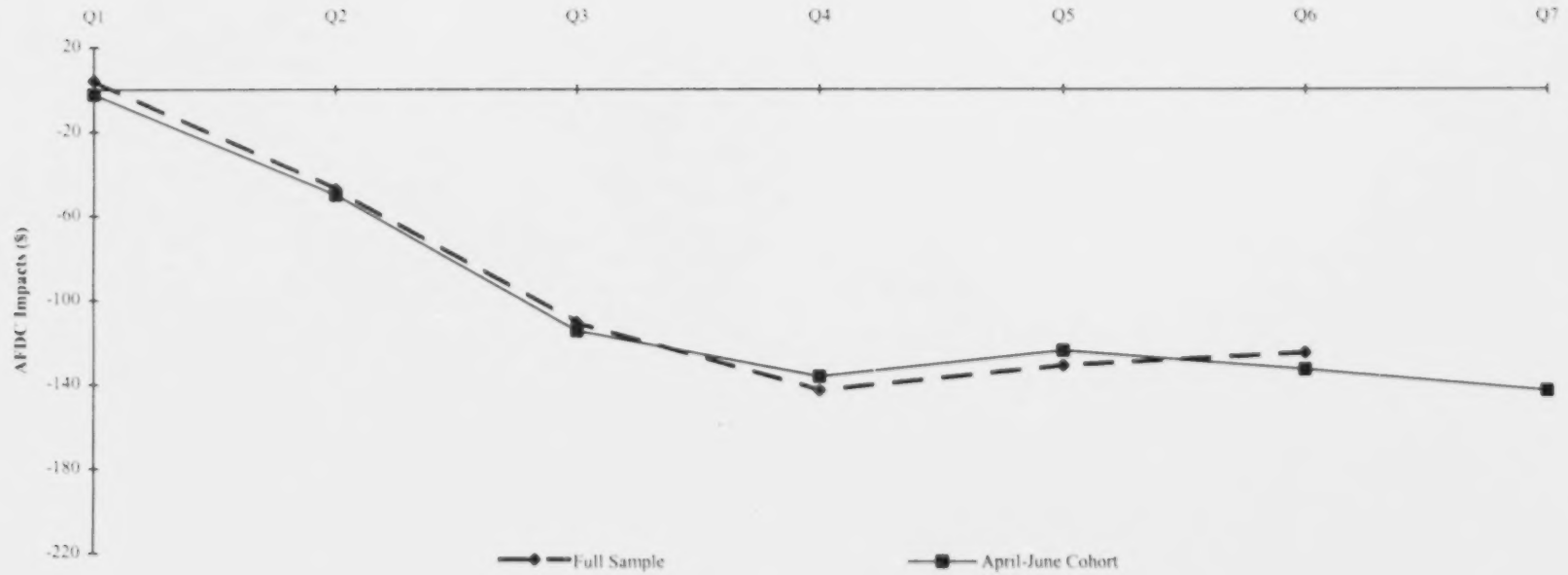
Figure 4.2
Quarterly Impacts on AFDC/TANF Payments for AFDC-FGs



SOURCE: MDRC calculations from LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTES: The quarter of random assignment, quarter 1, may contain some AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

The April-June cohort contains sample members randomly assigned between April and June 1996.

Impacts for all AFDC-FGs are weighted averages of impacts for regular enrollees and early enrollees: AFDC-FG impact = (regular enrollee impact x percent of regular enrollees in AFDC-FG sample) + (early enrollee impact x percent of early enrollees in AFDC-FG sample).

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

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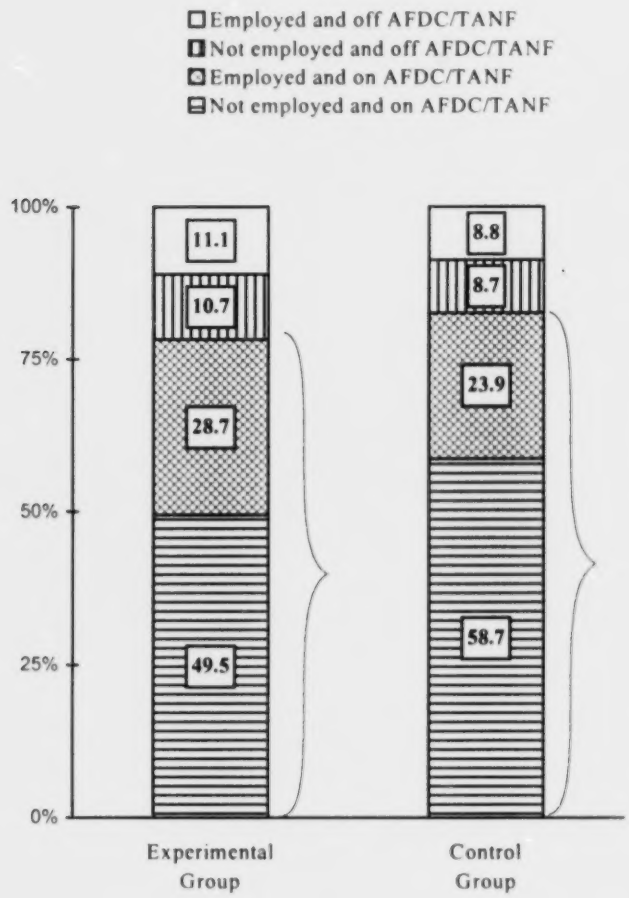
Figure 4.3

Employment and AFDC/TANF Status at the End of Year 1 for AFDC-FGs



SOURCE: MDRC calculations from California Employment Development Department Unemployment Insurance earnings records and LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTES: The bracketed area represents the proportion of sample members on AFDC/TANF at the end of year 1.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

first group, because they did not rely entirely on taxpayer money. Sample members who supported themselves through their own earnings and received no welfare payments can be considered the most self-sufficient.

The group that contains sample members who lacked both a job and a welfare check in quarter 5 is somewhat harder to place on the continuum. Although these individuals are more self-sufficient than the first two groups in the sense that they no longer depended on cash assistance, it is unknown with what income source, if any, they replaced their welfare dollars. They could have left welfare only to become desperately poor and uninsured, in which case they would have relied on other forms of public assistance for survival. On the other hand, they could have made up for lost AFDC/TANF dollars with income from a family member or other non-government source.[14]

A more complete exploration of program effects on self-sufficiency would include additional income sources and consider other key measures, such as the percentage working full time at jobs that provided health insurance, the percentage with earnings above $10,000 per year, the percentage with income above poverty levels, and the percentage of income from earnings. These measures are more important for an analysis of impacts in year 2, when experimental group members have had time to complete program activities, find a job, and work their way up to more stable and higher-paying employment.

Program effects on self-sufficiency are expected to be more modest in the first year than in the second. During year 1, many experimental group members will remain on AFDC/TANF for a while as they participate in program activities. Even those who stop participating after finding a job are likely to stay on welfare, because California's high maximum aid payment and generous earnings disregards make it easier to do so. As noted in Chapter 1, a mother with two children could earn up to $1,221 per month ($7.04 per hour for a 40-hour work week) before losing her welfare eligibility. Considering that, in addition to encouraging work, the generous earnings disregards create the unwelcome effect of bringing recipients closer to time limits (by keeping them on AFDC/TANF longer); it is hoped that individuals who combine work and welfare at first would eventually move to better employment that allows them to leave welfare and become more self-sufficient.

Figure 4.3 shows that Jobs-First GAIN reduced the proportion of recipients in the most dependent group and increased the proportions in the other three, more self-sufficient groups. As expected for year 1, however, the program's increase in the percentage working and off welfare was very small. In quarter 5, 50 percent of experimental group members versus 59 percent of control group members were jobless and on AFDC/TANF, a decrease of 9 percentage points. The program raised the percentage combining work and welfare by a moderate amount, from 24 to 29 percent, and the percentage working and off welfare by just 2 percentage points (11 minus 9 percentage points). These findings indicate that, as expected, the program's overall employment gain in quarter 5 resulted mainly from more people combining work and welfare, and less

[14]Some of the "not employed and off AFDC/TANF" sample members could have received earnings in quarter 9 that were not reported to the state unemployment insurance office (and hence were not captured by administrative records data). Using self-reported data from the Two-Year Client Survey, the next report in this evaluation will explore the issue of earnings from "off-the-books" jobs.

from more people finding jobs and leaving cash assistance.[15] The slight rise (2 percentage points) in the proportion who lacked both a job and a welfare check may reflect the program's capacity — through participation mandates and threats of grant sanctions — to deter people from the rolls even before they have found employment.[16]

The vast majority of *employed* experimental and control group members —72 percent and 73 percent, respectively — received AFDC/TANF at the end of year 1 (not shown). These results may not be surprising in light of the fact that members of both research groups could benefit from the generous Work Pays disregards.

VII. Impacts on Combined Income from Earnings, AFDC/TANF, and Food Stamps

On average, Jobs-First GAIN did not make welfare recipients better off financially in the short term. During year 1, losses in public assistance for Jobs-First GAIN enrollees largely offset their earnings increases. (See Table 4.1.) Experimental group members gained $750 in average earnings, yet they lost $606 in average AFDC and Food Stamp payments. Therefore, their net increase in combined income relative to control group members totaled just $144 (1 percent, not statistically significant) above the control group mean of $10,411.

VIII. Comparisons to Previously Evaluated Programs

Table 4.2 compares first-year impacts for single parents in Los Angeles Jobs-First GAIN to first-year impacts for single parents in three previously evaluated programs (see Chapter 1 for more details on these programs):

- Los Angeles GAIN, the county's *education-focused* program that preceded Jobs-First GAIN, operated during the late 1980s and early 1990s.
- Riverside County GAIN, a Work First, *mixed-services* program, operated in a neighboring county during the same years as Los Angeles GAIN.
- Riverside County Labor Force Attachment (LFA), a Work First, *job-search-first* program, operated in the early-to-mid 1990s. (This program superseded Riverside County GAIN.)

Each panel in the table compares results for Jobs-First GAIN to those for a different prior evaluation. Within each panel, results are presented for the full research samples and for subsam-

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[15]The following formula calculates the percent contribution of the increase in the percentage combining work and welfare to the overall employment impact: 5 percent (the impact on the percentage combining work and welfare) divided by 7 percent (the overall employment impact) equals 71 percent.

[16]Other reasons for exiting AFDC/TANF without employment include the following: moving out of state, receiving income from another source such as Supplemental Security Income, living with someone who has income, or obtaining an "off-the-books" job (UI records include only earnings reported to the government).

Very few experimental and control group members who were jobless and off AFDC/TANF in quarter 5 received Food Stamps.

Table 4.2
Comparison of Los Angeles Jobs-First GAIN Impacts to Los Angeles GAIN, Riverside GAIN, and Riverside LFA Impacts (for AFDC-FGs only)

			Ever Employed in Year 1			Average Total Earnings in Year 1			Average Total AFDC/TANF Payments in Year 1			Received AFDC/TANF in Quarter 5		
	Jobs-First GAIN Sample Size	Comparison Program Sample Size	Jobs-First GAIN Impact	Comparison Program Impact	Difference	Jobs-First GAIN Impact	Comparison Program Impact	Difference	Jobs-First GAIN Impact	Comparison Program Impact	Difference	Jobs-First GAIN Impact	Comparison Program Impact	Difference
LA GAIN Comparison														
Demographically comparable subsample	3,012	3,882	11.5	2.9	8.6 ***	792	31	761 ***	-453 (-7.8%)	-436 (-5.1%)	-17	-5.1	-4.2	-0.8
Full sample	15,683	4,396	10.9	2.1	8.8 [a]	750	-4	754 [a]	-432 (-7.5%)	-328 (-4.5%)	-104 [a]	-4.3	-3.1	-1.2 [a]
Riverside GAIN Comparison														
Demographically comparable subsample	5,643	4,398	11.2	17.4	-6.2 ***	731	1280	-548 **	-447 (-8.2%)	-888 (-13.2%)	441 ***	-4.7	-7.5	2.8
Full sample	15,683	5,508	10.9	18.0	-7.1 [a]	750	920	-170 [a]	-432 (-7.5%)	-695 (-12.3%)	263 [a]	-4.3	-7.2	2.9 [a]
Riverside LFA Comparison														
Demographically comparable subsample	10,934	7,332	10.8	18.2	-7.4 ***	731	839	-108	-454 (-7.8%)	-719 (-11.9%)	265 ***	-5.0	-7.2	2.2
Full sample	15,683	6,726	10.9	16.5	-5.6 [a]	750	719	31 [a]	-432 (-7.5%)	-598 (-11.0%)	166 [a]	-4.3	-6.7	2.4 [a]

(continued)

Table 4.2 (continued)

SOURCE: MDRC calculations from California Employment Development Department Unemployment Insurance earnings records and from county AFDC/TANF records.

NOTES: The quarter of random assignment, quarter 1, may contain some earnings or AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Jobs-First GAIN full sample AFDC-FG impacts are weighted averages of impacts for regular enrollees and early enrollees: AFDC-FG impact = (regular enrollee impact x percent of regular enrollees in AFDC-FG sample) + (early enrollee impact x percent of early enrollees in AFDC-FG sample).

Dollar averages include zero values for sample members not employed and for sample members not receiving welfare.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating differences.

A two-tailed t-test was applied to differences between impacts for the demographically comparable subsamples. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a]Differences between impacts for the full samples were not tested for statistical significance, because the impacts are not directly comparable. They mainly serve as context for understanding differences between impacts for the demographically comparable subsamples.

ples that are more demographically comparable. For example, the top panel compares Jobs-First GAIN to Los Angeles GAIN. The second row of the panel shows that Jobs-First GAIN increased first-year employment for the full sample by 11 percentage points (see the row entitled "Full sample" and the column labeled "Jobs-First GAIN Impact"). It also shows that the previous Los Angeles GAIN program produced a much smaller experimental-control group difference in this measure for the full sample: 2 percentage points (see the column labeled "Comparison Program Impact"). The "Difference" column calculates the difference between these two impacts, which is 9 percentage points. It would be premature to conclude, simply based on this difference, that the Jobs-First GAIN model is better at increasing employment than the earlier Los Angeles GAIN model, because the full research samples differ demographically from each other. For instance, the Jobs-First GAIN program included recently approved applicants and short-term recipients, whereas Los Angeles GAIN enrolled only long-term welfare recipients.

For cross program comparisons to be more reliable, results for subsamples with similar demographic characteristics should be compared. See Chapter 2 for a description of how demographically comparable subsamples were chosen for each comparison.[17] Within the Los Angeles GAIN comparison, employment impacts for the demographically comparable subsamples were 12 and 3 percentage points, and the difference between the impacts was still 9 percentage points (see Table 4.2). The three stars indicate that this difference was statistically significant at the 1 percent level.[18] Thus, it can be more confidently concluded that Jobs-First GAIN was more effective than its predecessor in raising employment.

Table 4.2 also presents impacts on first-year earnings and AFDC/TANF payments and on welfare receipt in the last quarter of year 1. Beneath the dollar impacts on AFDC/TANF payments, in parentheses, are the percentage reductions in this measure relative to control group levels. For the subsample comparisons, the earnings and welfare payment impacts of the previously evaluated programs have been converted to 1996 dollars to increase the comparability of results (the full sample numbers are not inflation-adjusted). Despite inflation adjustment and controlling for differences in demographic characteristics, the subsample comparisons still have some limitations. They do not, for instance, control for differences in local labor market conditions or for changes over time in unemployment rates or in maximum welfare grant amounts.

The following sections describe results of the demographically comparable subsamples in detail. They indicate that Los Angeles Jobs-First GAIN reached its goal of improving upon the county's previous welfare-to-work program and demonstrating that a Work First program could be more effective than an education-focused program in a major metropolitan area. Jobs-First GAIN was not as effective as the Riverside GAIN or Riverside LFA programs. It is unclear, however, whether this disparity resulted from differences in the way the programs were implemented or from other factors, such as differences in their program environments (while Los An-

[17]Few early enrollee control group members met the criteria to be included in comparisons to the GAIN programs in Los Angeles and Riverside (just 69 and 142, respectively). Early enrollees were therefore excluded from all impact estimates for the Jobs-First GAIN demographically comparable subsamples displayed in Table 4.2. This decision is more problematic for comparisons to the Riverside LFA program, because most early enrollee control group members could be included. Impacts of the Jobs-First GAIN subsample were estimated a second time with early enrollees added. The results were similar to those displayed in the table.

[18]Statistical significance tests were performed through a two-tailed t-test.

geles County is a large urban center, Riverside County is exurban) or in unobservable sample member characteristics.

A. Los Angeles GAIN

Los Angeles GAIN reduced first-year employment only slightly and did not raise earnings by a statistically significant amount (see Table 4.2). In comparison, Jobs-First GAIN led to a large increase in employment (11 percent, as noted above) and a moderate increase in earnings ($792). Welfare reductions for the two programs were similar: Savings in AFDC/TANF dollars were moderate (8 percent for Jobs-First GAIN and 5 percent for its predecessor), and decreases in receipt were small (5 percentage points and 4 percentage points, respectively).

B. Riverside GAIN

Jobs-First GAIN's first-year employment and earnings impacts fell short of Riverside GAIN's unusually strong results. In year 1, enrollees in Riverside GAIN experienced a 17 percentage point employment increase and earned $1,280 more than members of the control group. These impacts are 6 percentage points and $548 higher than the corresponding Jobs-First GAIN impacts. Riverside GAIN also reduced AFDC/TANF payments by about $441 more than Jobs-First GAIN. Its percent reduction in welfare dollars was large (13 percent), whereas Jobs-First GAIN's was moderate (8 percent). Decreases in the percentage on welfare at the end of year 1 were similar for the two programs.

C. Riverside LFA

Like Riverside GAIN, Riverside LFA produced an unusually large impact on employment (18 percentage points) in the first year of follow-up. Thus, it increased employment more than Jobs-First GAIN did. The two programs affected average earnings similarly, however, raising them by a moderate amount. Riverside LFA was slightly more effective than Jobs-First GAIN (12 percent versus 8 percent) in lowering welfare expenditures. Both programs moderately reduced receipt of AFDC/TANF at the end of year 1.

IX. Subgroup Impacts

Jobs-First GAIN benefited a broad cross section of the welfare caseload, producing impacts for both early and regular enrollees, for recipients in all parts of Los Angeles County, for recipients of all racial and ethnic backgrounds, and for recipients with the least as well as the most barriers to employment. Such consistency of impacts is not always found among experimentally evaluated Work First programs.[19] Most of the results discussed below are shown in Table 4.3.

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[19]For example, the Grand Rapids LFA program did not increase year 2 earnings for sample members who had a high school diploma or GED certificate at random assignment, and the Atlanta LFA program did not increase year 2 earnings for sample members who lacked these credentials. See Hamilton et al., 1997, Table 9.7.

Like Jobs-First GAIN, the Riverside GAIN program of the late 1980s and the Portland (Oregon) JOBS program of the mid-1990s produced substantial impacts for a variety of subgroups. Both of these programs were mixed-services programs. See Riccio et al., 1994, Chapter 4, Section VII; and Scrivener et al., 1998, Chapter 5, Section IX.

Table 4.3
Program Impacts on Employment, Earnings, and AFDC/TANF Payments and Receipt for Selected Subgroups of AFDC-FGs

Region and Subgroup	Sample Size	Ever Employed in Year 1: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Average Total Earnings in Year 1: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Regular enrollee	12,441	53.0	43.0	10.0 ***	23.4	3,167	2,493	674 ***	27.0
Early enrollee	3,242	58.6	44.5	14.1 ***	31.8	3,265	2,224	1,041 ***	46.8
				xxx					
San Fernando Valley (Region 2)	2,843	55.4	44.8	10.6 ***	23.7	3,393	2,539	854 ***	33.6
San Gabriel Valley (Region 3)	3,990	56.0	42.6	13.3 ***	31.2	3,247	2,420	827 ***	34.2
Central (Region 4)	2,526	51.3	38.9	12.5 ***	32.0	2,717	1,953	765 ***	39.2
Southern (Region 5)[a]	3,522	53.1	46.9	6.3 ***	13.3	3,191	2,672	518 ***	19.4
Southeastern (Region 6)	2,802	54.4	41.3	13.2 ***	31.9	3,338	2,445	893 ***	36.5
				xxx					
White	2,715	50.1	41.9	8.2 ***	19.6	3,030	2,385	645 ***	27.0
African-American	4,891	55.8	48.1	7.6 ***	15.9	3,348	2,698	650 ***	24.1
Hispanic	7,079	55.9	41.8	14.1 ***	33.6	3,260	2,316	944 ***	40.8
Asian[b]	872	44.8	31.1	13.7 ***	44.0	2,358	1,628	730 ***	44.8
Has a high school diploma or GED	7,168	59.6	49.5	10.0 ***	20.2	4,033	3,253	780 ***	24.0
Does not have a high school diploma or GED	8,515	49.6	38.0	11.7 ***	30.7	2,475	1,750	725 ***	41.4
Applicant	561	59.4	46.9	12.6 **	26.8	3,701	3,716	-15	-0.4
Short-term recipient	3,699	59.0	47.9	11.2 ***	23.3	4,062	3,393	669 ***	19.7
Long-term recipient	11,423	52.4	41.4	10.9 ***	26.4	2,877	2,067	810 ***	39.2
				xxx					
Employed in year prior to random assignment	5,704	75.8	70.1	5.7 ***	8.1	5,277	4,639	638 ***	13.8
Not employed in year prior to random assignment	9,979	41.8	27.8	14.1 ***	50.7	1,991	1,176	815 ***	69.3
Most disadvantaged[c]	4,750	38.8	23.9	15.0 ***	62.7	1,590	806	784 ***	97.3

(continued)

Table 4.3 (continued)

Region and Subgroup	Sample Size	Average Total AFDC/TANF Payments in Year 1: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Received AFDC/TANF in Quarter 5: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Regular enrollee	12,441	5,370	5,787	-417 ***	-7.2	78.3	82.9	-4.6 ***	-5.6
Early enrollee	3,242	5,335	5,826	-490 *** xx	-8.4	78.0	81.2	-3.2 x	-3.9
San Fernando Valley (Region 2)	2,843	5,152	5,740	-588 ***	-10.2	74.5	80.9	-6.4 ***	-7.9
San Gabriel Valley (Region 3)	3,990	5,296	5,663	-367 ***	-6.5	76.8	81.2	-4.4 ***	-5.4
Central (Region 4)	2,526	5,525	5,962	-436 ***	-7.3	82.5	85.6	-3.1	-3.6
Southern (Region 5)[a]	3,522	5,610	5,950	-340 ***	-5.7	81.9	84.3	-2.4	-2.8
Southeastern (Region 6)	2,802	5,211	5,699	-489 *** xx	-8.6	75.3	80.8	-5.5 ***	-6.8
White	2,715	4,944	5,335	-391 ***	-7.3	72.3	77.2	-4.9 **	-6.4
African-American	4,891	5,461	5,843	-381 ***	-6.5	82.1	85.8	-3.7 ***	-4.3
Hispanic	7,079	5,384	5,910	-526 ***	-8.9	77.3	82.3	-5.0 ***	-6.0
Asian[b]	872	5,920	6,234	-314 **	-5.0	82.0	85.2	-3.2	-3.7
Has a high school diploma or GED	7,168	5,013	5,431	-419 ***	-7.7	75.1	79.6	-4.5 ***	-5.6
Does not have a high school diploma or GED	8,515	5,658	6,106	-448 *** x	-7.3	80.8	85.1	-4.2 ***	-5.0
Applicant	561	4,517	4,585	-68	-1.5	64.7	65.4	-0.7	-1.0
Short-term recipient	3,699	4,596	4,981	-386 ***	-7.7	67.9	72.5	-4.6 **	-6.4
Long-term recipient	11,423	5,652	6,115	-463 ***	-7.6	82.2	86.5	-4.3 ***	-4.9
Employed in year prior to random assignment	5,704	4,856	5,272	-416 ***	-7.9	73.9	77.9	-4.0 ***	-5.1
Not employed in year prior to random assignment	9,979	5,652	6,098	-446 ***	-7.3	80.6	85.3	-4.6 ***	-5.4
Most disadvantaged[c]	4,750	6,094	6,543	-449 ***	-6.9	85.3	88.5	-3.2 ***	-3.7

(continued)

Table 4.3 (continued)

SOURCE: MDRC calculations from California Employment Development Department Unemployment Insurance earnings records and LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTES: The quarter of random assignment, quarter 1, may contain some earnings or AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Impacts for AFDC-FG subgroups are weighted averages of impacts for regular enrollees and early enrollees in the subgroup: AFDC-FG impact = (regular enrollee x percent of regular enrollees in AFDC-FG subgroup) + (early enrollee impact x percent of early enrollees in AFDC-FG subgroup).

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the experimental and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

A homogeneity test was applied to variation in impacts across subgroups. Statistical significance levels are indicated above the set of subgroups to which they apply as: x = 10 percent; xx = 5 percent; and xxx = 1 percent. Zero "x"s means variation in impacts did not achieve statistical significance.

The sample size of the ethnicity subgroups do not add up to the full sample size, because results for Native Americans and Pacific Islanders are not presented. Their sample sizes were too small for reliable estimates.

The welfare history subgroups (applicants, short-term recipients, and long-term recipients) were defined through a combination of self-reported information and administrative records data. See Appendix B for more details.

[a]This region serves the low-income communities of Watts, Compton, and North Long Beach.

[b]The Asian subgroup only contains regular enrollees, because the sample size of early enrollees was very small.

[c]The "most disadvantaged" subgroup consists of long-term recipients who did not have a high school diploma or GED certificate at random assignment and who did not work for pay in the year prior to random assignment.

A. Regular and Early Enrollees

As explained in Chapter 2, a "mandatory" welfare recipient is someone who meets the criteria for being required to participate in a welfare-to-work program. For example, during the follow-up period for this report, some states only considered welfare recipients with children three or older to be "mandatory." Some welfare-to-work programs could not serve all "mandatory" welfare recipients, either because of budget limitations or the desire to maintain low-to-moderate caseloads for staff. Administrators of these programs sometimes gave priority to serving "mandatory" welfare recipients who entered the program on their own initiative —"early enrollees," in the language of the Jobs-First GAIN Evaluation. These people, in effect, volunteer for services, although they are subject to participation requirements and sanctions after entering the program.[20] There is debate about whether reserving places for early enrollees is worthwhile, because these recipients may be motivated to seek employment-related services outside of the program and to find jobs on their own. Consequently, a program's push toward employment may not produce much of an added effect for them, and, therefore, it may not justify the cost. On the other hand, if early enrollees in welfare-to-work programs engage more frequently in employment-related activities than they would have on their own, or if they receive services that are not readily available outside of the program, such as an intensive job club, they may experience employment and earnings gains and public assistance reductions.

Results of the Jobs-First GAIN Evaluation show that welfare-to-work programs can pay off for recipients who volunteer for services: In year 1, the program increased employment and earnings by large amounts and reduced AFDC/TANF payments by a moderate amount for early enrollees. In general, *first-year* impacts for early enrollees did not differ from those of regular enrollees (who were obligated to enter the program) by a statistically significant amount. In the *last quarter of follow-up* (quarter 6), however, the earnings gain of the former group was statistically significantly larger, suggesting that the program may work better for them than for regular enrollees in year 2 (not shown).[21] These results show that serving early enrollees can be an effective strategy. The next few sections provide more detailed results for the regular and early enrollee subgroups.

1. Employment and Earnings. The control group outcomes in Table 4.3 show that early enrollees were not more likely to obtain employment on their own than regular enrollees.[22] During the first year of follow-up, 45 percent of early enrollees and 43 percent of regular enrollees worked for pay. The average length of employment was also comparable. Regular enrollee control group members, however, earned slightly more, on average, than their early enrollee counterparts: $2,493 versus $2,224 (also shown in Table 4.3). This difference could have re-

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[20]Early enrollees should not be confused with welfare recipients who volunteer for services and are not subject to participation mandates or sanctions.

[21]This difference may have resulted partly from the fact that more early than regular enrollees participated in a Jobs-First GAIN activity during the first year of follow-up: 54 percent versus 34 percent (see Chapter 3).

[22]Some early enrollees may not have been more motivated than regular enrollees to find jobs, despite having volunteered to participate, because they did not know exactly for what they were volunteering. Welfare recipients often expected that Jobs-First GAIN's primary purpose was to provide them with education and training (see Weissman, 1997, p. 42). Also, some early enrollees may have signed up for the program with the hope of obtaining child care assistance while continuing self-initiated education or training activities.

sulted from early enrollees' possessing less work experience than regular enrollees at random assignment.

Over one year, Jobs-First GAIN raised employment by 14 percentage points for early enrollees and by 10 percentage points for regular enrollees (both are large impacts). The difference between these impacts was not statistically significant. The program increased employment duration in year 1 slightly more for early enrollees than for regular enrollees (this difference was statistically significant). As shown in Appendix Table D.2, early enrollees in Jobs-First GAIN worked six or seven weeks (.50 quarter) longer, on average, than their control group counterparts. For regular enrollees, the program increased average length of employment by four weeks (.31 quarter; see Appendix Table D.1). Table 4.3 shows that early enrollee experimental group members earned $1,041 more than control group members, a large amount, whereas regular enrollees gained $674, a moderate amount (the difference between these two impacts did not attain statistical significance). At the end of follow-up, impacts for early enrollees remained large, whereas impacts for regular enrollees were moderate.[23] Impacts should continue into year 2 for both subgroups.

2. Public Assistance. In the first year of follow-up, control group levels of public assistance receipt and expenditures look nearly identical across the two subgroups, and impacts on public assistance are quite similar. For regular and early enrollees, the program reduced time on welfare by half a month and saved $417 (7 percent) and $490 (8 percent), respectively, in AFDC/TANF. (See Appendix Tables D.1 and D.2 and Table 4.3.)

Reductions in cash assistance became larger over time for both subgroups. As of a year after random assignment, regular and early enrollees were 5 and 3 percentage points less likely to be on welfare than their counterparts in the control group (see Table 4.3). The early enrollee reduction is not statistically significant, so it is unclear whether the program will reduce welfare receipt for this subgroup in year 2 or beyond. Decreases in payments, however, should continue for both subgroups.

In year 1, Jobs-First GAIN reduced Food Stamp expenditures by a similar amount for both subgroups: by $158, or 7 percent, for regular enrollees and by $233, or 11 percent, for early enrollees (see Appendix Tables D.1 and D.2). At the end of follow-up, experimental-control group differences in Food Stamp receipt and payments were statistically significant for both subgroups.

3. Combined Income from Earnings, AFDC/TANF, and Food Stamps. For both regular and early enrollees, the experimental-control group difference in combined income was positive but not statistically significant.

B. Regions

The Jobs-First GAIN sample contains welfare recipients from all parts of Los Angeles County. This section investigates program effects on sample members in each of the five Jobs-First GAIN administrative regions: the San Fernando Valley, the San Gabriel Valley, Central, Southern, and Southeastern. Differences among these regions in their labor markets (see the re-

[23]In quarter 6, the difference in the two subgroups' earnings gains was statistically significant (as noted above), but the difference in their employment gains was not.

gional unemployment rates in Appendix Table A.1) and in the demographic characteristics of their welfare recipients (see Appendix Table B.6) can lead to differences in program effects. Table 4.3 presents Jobs-First GAIN's first-year impacts on employment, earnings, and AFDC/TANF payments and receipt for each region and for other selected subgroups. It shows that the program increased employment and average earnings for recipients in all regions, including Central, Southern, and Southeastern, which include the poorest neighborhoods, as well as the San Fernando Valley and San Gabriel Valley regions, which are economically better off.[24] First-year AFDC/TANF savings across all regions fell in the moderate-to-large range, but reductions in welfare receipt at the end of year 1 were not as consistent.

As shown in Table 4.3, between 39 percent (Central) and 47 percent (Southern) of control group members worked for pay in the first year of follow-up. Control group members in Central earned the least during year 1 ($1,953 on average), and control group members in Southern earned the most ($2,672 on average). Average first-year AFDC/TANF payments for control group members ranged from $5,663 in the San Gabriel Valley to $5,962 in Central (see Table 4.3). The proportion of the control group that was still on welfare at the end of year 1 fell between 81 percent and 86 percent.

Jobs-First GAIN increased employment by large amounts (over 10 percentage points) and earnings by moderate amounts ($600 to less than $900) in all regions but Southern, which achieved smaller gains. The program also reduced AFDC/TANF payments by moderate-to-large amounts in all regions. Welfare receipt decreased in just three of the regions (the San Fernando and San Gabriel Valleys and Southeastern) by small-to-moderate amounts. In the two regions with the most welfare-dependent recipients, Central and Southern, the program did not shrink the proportion on the rolls.

C. Race/Ethnicity

This section discusses Jobs-First GAIN's impacts on the four main racial/ethnic subgroups in the single-parent sample: whites, African-Americans, Hispanics, and Asians. Differences in control group outcomes and program impacts across these subgroups could reflect a variety of factors, including the following: differences in where members of the subgroups live (for example, as shown in Appendix Table B.6, Southern contains a high proportion of African-Americans and a low proportion of Hispanics, but the reverse is true in Southeastern), employer preferences for candidates of a particular race/ethnicity, and differences in the degree to which networks of family and friends have been developed.

In the first year of follow-up, control group employment and earnings levels were lowest for Asians (31 percent and $1,628) and highest for African-Americans (48 percent and $2,698). Jobs-First GAIN boosted employment by large amounts for Hispanics and Asians and by moderate amounts for whites and African-Americans. Earnings gains ranged from $645 for whites to $944 for Hispanics.

In year 1, DPSS spent the most AFDC/TANF dollars on Asian control group members ($6,234) and the least on whites ($5,335). Despite their relatively high first-year employment

[24]Central and Southern encompass South Central Los Angeles, and Southeastern contains most of East Los Angeles.

levels, African-Americans in the control group were most likely to be on AFDC/TANF at the end of the year; 86 percent of them received a welfare check in quarter 5. White control group members formed the low end of the range (77 percent).

For all four racial/ethnic subgroups, Jobs-First GAIN saved a moderate amount of AFDC/TANF dollars. Modest reductions in welfare receipt occurred for three of the four subgroups. The program did not reduce the proportion of Asians on the rolls in quarter 5.

D. Educational Attainment

Table 4.3 also includes results for recipients who had a high school diploma or GED certificate at random assignment, referred to from here on as "graduates," and for those who did not, referred to as "nongraduates." It is particularly important to learn how Jobs-First GAIN affected nongraduates, because, in an education-focused or a Work First mixed-services program, these recipients most likely would have attended an education or training activity first, as opposed to a job search activity. As shown in the table, Jobs-First GAIN raised employment and earnings and decreased welfare payments and receipt for this subgroup, demonstrating that job-search-first programs can work for recipients with low educational attainment, and that education and training is not the sole route to success.

Graduates in the control group were more likely to work in the first year of follow-up than nongraduates (50 percent versus 38 percent, respectively), and their average earnings were larger ($3,253 versus $1,750, respectively). Average AFDC/TANF payments for nongraduate control group members exceeded those for their graduate counterparts by about $700, and more nongraduates received a welfare check in the last quarter of follow-up (85 percent versus 80 percent). Despite these differences, the program produced very similar impacts for the two subgroups on all four measures: large employment gains, moderate earnings gains, moderate AFDC/TANF payment reductions, and small decreases in welfare receipt.[25]

E. Employment History

Of all background characteristics, employment history appears to be the greatest determinant of sample members' future employment and earnings. Recipients who worked in the year prior to random assignment can be considered the most job ready subgroup, and those who did not can be considered one of the least job ready subgroups. Table 4.3 shows that 70 percent of control group members who worked in the year prior to random assignment also worked in the subsequent year, yet a mere 28 percent of control group members without recent employment experience obtained a job. Average earnings for control group members in the two subgroups differed by a few thousand dollars.

Jobs-First GAIN increased employment more for recipients who did not work in the prior year than it did for the most job ready group (probably because the latter were more likely to find work without the program's help).[26] Otherwise, impacts were quite similar.

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[25]No differences in impacts for graduates and nongraduates attained statistical significance.

[26]This difference was statistically significant.

F. Welfare History

Table 4.3 includes impacts for three subgroups defined by AFDC receipt. Newly approved "applicants" were receiving welfare at random assignment but reported that they never received AFDC as an adult prior to random assignment, "short-term recipients" reported being on welfare for one month to less than two years (on their own or a spouse's case) at any time before random assignment, and "long-term recipients" had two or more years of prior receipt.[27] Long-term recipients are most at risk of exhausting their welfare eligibility in an era of time limits, so it is particularly important that their employment eventually enable them to leave welfare before their clocks expire.

Jobs-First GAIN produced impacts on a variety of measures for short- and long-term recipients, but results for applicants were not so consistently positive. During the first year of follow-up, a similar proportion of applicants and short-term recipients in the control group (47 and 48 percent, respectively) worked for pay, whereas 42 percent of long-term-recipient control group members found a job. As expected, applicants in the control group earned the most, received the fewest AFDC/TANF dollars, and were the least likely to be on welfare at the end of year 1. In contrast, their long-term-recipient counterparts earned the least, received the most AFDC/TANF dollars, and were the most likely to be on welfare at the end of year 1.

For each of the three subgroups, the program increased employment by large amounts. Short- and long-term recipients in the experimental group achieved moderate earnings gains and moderate AFDC/TANF payment reductions. At the end of year 1, they were a little less likely to be on welfare than their counterparts in the control group (by 4 to 5 percentage points). In spite of their large employment increase, applicants in Jobs-First GAIN did not earn more or receive less welfare in year 1 than applicants who were not in the program, nor were they more likely to be off welfare in quarter 5.

G. The Most Disadvantaged

The "most disadvantaged" subgroup, whose results are presented in Table 4.3, contains nongraduate, long-term recipients who did not work in the year prior to random assignment. They face more barriers to employment than any other subgroup. In the first year of follow-up, about one-fourth of "most disadvantaged" control group members worked for pay. Year 1 earnings and AFDC/TANF payments for control group members in this subgroup averaged about $800 and $6,500, respectively. About nine in 10 were still on welfare at the end of year 1.

Jobs-First GAIN raised employment by a large amount and almost doubled average earnings. The program also reduced AFDC/TANF expenditures and receipt by moderate and small amounts, respectively. These results provide convincing evidence that even the most dependent welfare recipients with low educational attainment and no recent work history can benefit from a Work First program.

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[27]The welfare history subgroups were defined through a combination of self-reported information and administrative records data. See Appendix B for more details.

Chapter 5

Impacts for AFDC-Us

Following a similar format as Chapter 4, this chapter describes impacts of Jobs-First GAIN for members of two-parent households (AFDC-Us). It addresses the same key questions as Chapter 4, but does not include formal comparisons of Jobs-First GAIN's effects to the effects of previously evaluated programs.[1] The analysis of subgroup impacts for AFDC-Us presented below also differs slightly from the discussion in the previous chapter. This chapter considers whether impacts differed for male and female AFDC-U recipients — a question of lesser importance for AFDC-FGs (given that the vast majority of them are women) — but does not compare program effects for early and regular enrollees.[2]

The impacts presented below gain particular importance in light of TANF's work requirements, which are much stricter for AFDC-Us than for single parents. TANF requires a higher percentage of two-parent families to work or participate in employment-related activities (in 1998, 75 percent of two-parent families versus 30 percent of single parents) and specifies that they work more hours per week in order to be counted as participants (35 versus 20).[3] Welfare-to-work programs must succeed for two-parent families if states are to meet these tough federal regulations and avoid financial penalties.

As Table 2.2 shows, the AFDC-U sample is composed of welfare recipients from a variety of racial and ethnic backgrounds, many of whom are recent immigrants.[4] About half of the sample lacks proficiency in English (compared to 20 percent of AFDC-FGs). Therefore, results for two-parent families will indicate how well a large urban labor market supports employment for groups with different national origins and languages and whether Work First programs can be effective in boosting their employment.

I. Background Information for Interpreting Results

All of the analysis issues presented in Chapter 4 also apply to this chapter. In addition, the following issues should be kept in mind when interpreting results for two-parent families:

- potential differences in impacts for AFDC-Us and AFDC-FGs;
- implications of the AFDC-U random assignment design;
- elimination of the "100-hour rule"; and
- limitations of the AFDC-U analysis.

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[1]See Chapter 2 for reasons why.

[2]The AFDC-U sample contains both regular and early enrollees, but the early enrollee subgroup is too small for separate analysis.

[3]For a two-parent family to be counted in the participation rate, one or both parents must participate for a combined total of at least 35 hours per week. If a two-parent family is receiving federally funded child care assistance and an adult in the family is not disabled or caring for a disabled child, then both parents must participate for a combined total of at least 55 hours per week. See Bloom, 1997, pp. 114-115.

[4]Although no data were available on immigrant status, it is assumed that most non-English speakers are recent immigrants.

A. Potential Differences in Impacts for AFDC-Us and AFDC-FGs

Much less is known about the effects of welfare-to-work programs for AFDC-Us than for single-parent welfare recipients, because relatively few previous evaluations of welfare-to-work programs have findings on AFDC-Us. The studies that did include two-parent families mostly tracked primary wage-earners, the vast majority of whom were men, because only these individuals were required to participate.[5] These studies showed that program impacts for members of two-parent families can differ from those for single parents, most likely because of differences between the two groups in factors including employment experience, gender, child care responsibility, and family size. The previous Los Angeles GAIN program produced larger impacts on employment, earnings, and welfare payments for AFDC-Us than for AFDC-FGs (although overall income for AFDC-Us decreased, because their AFDC losses exceeded their earnings gains). Three other studies that included AFDC-Us — Riverside GAIN, San Diego GAIN, and San Diego SWIM — found that earnings gains were smaller for members of two-parent families than for single parents but that reductions in welfare payments were similar. These programs reduced overall income for AFDC-Us but not for AFDC-FGs.[6]

Impacts for AFDC-Us may differ from those for AFDC-FGs in part because AFDC-Us share parenting responsibilities with another adult. Therefore, lack of child care may be less of a barrier to employment for them — at least until both parents find employment. In the Jobs-First GAIN Evaluation, however, more AFDC-Us than AFDC-FGs have very young children (under three years old), so their child care needs may be greater.

Family size could also lead to impact differences between single parents and two-parent families. AFDC-Us in the Jobs-First GAIN sample have larger families on average; not only do they have a second parent on assistance, but they have more children. Average welfare expenditures for AFDC-U experimental and control group members exceed those of their AFDC-FG counterparts.[7] Therefore, dollar reductions in welfare payments — but not necessarily percent reductions — are expected to be larger for members of two-parent families.

B. Implications of the AFDC-U Random Assignment Design

As discussed in Chapter 2, for a two-parent family to be eligible for AFDC/TANF, at least one parent must have worked in six of the past 13 quarters. (No restrictions based on work history apply to single parents.) Both parents, however, were required to participate in Jobs-First GAIN. The AFDC-U sample analyzed in this report includes one parent per family, the one who met with an income maintenance worker first. In other words, either the primary wage-earner (whose work history qualified the family for assistance) or the other parent — but not both parents — was randomly assigned to a research group. As a result of this design, the AFDC-U sample contains a mix of primary wage-earners and those without recent employment, as well as relatively even proportions of men and women.

Appendix Table B.5 shows that, as expected, AFDC-U fathers were more likely to have been the primary wage-earner. Approximately one-half of fathers versus about one-fourth of

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[5]For the six counties in the GAIN evaluation, the proportion of men in the AFDC-U samples ranged from 79 percent to 96 percent.

[6]See Riccio et al., 1994, Tables 4.1 and 6.1; and Friedlander and Hamilton, 1993, Tables 4.1 and 4.4.

[7]In the quarter of random assignment, welfare payments averaged about $2,000 for both AFDC-U research groups versus about $1,700 for both AFDC-FG research groups (not shown in tables).

mothers had a job in the past three years. Therefore, findings for female AFDC-Us can shed light on a group of recipients who have not been studied much in the past: mothers who previously stayed at home as full-time caregivers and relied on their spouse or partner's earnings, in addition to public assistance.

Members of the single-parent sample — which is almost entirely women — also worked more before random assignment than mothers in intact families, possibly because they could not rely on another adult's earnings (see Table 2.2). Prior research has shown that welfare recipients with a recent work history are more likely to find employment than recipients with little or no work history. Therefore, post-random assignment employment and earnings levels of male AFDC-Us and AFDC-FGs (both experimental and control group members) should exceed those of female AFDC-Us. *Impacts* may not necessarily be larger for the former groups, however, because they are also more likely to find jobs on their own.

C. Elimination of the "100-Hour Rule"

The Jobs-First GAIN Evaluation is one of the first to analyze two-parent families in California after the state eliminated the "100-hour rule" in December 1992. This rule called for the complete termination of welfare benefits for two-parent families when the primary wage-earner worked 100 hours or more per month, regardless of how much he or she earned.[8] The rule, in effect, discouraged primary wage-earners from working full time. Its elimination removed this work disincentive and made it easier for recipients to combine work and welfare and to raise their overall income.

The findings from previous evaluations of AFDC-Us mentioned above apply to the era of the 100-hour rule. Program effects on combined income from earnings and public assistance may be more positive for Jobs-First GAIN, because full-time work no longer automatically entails termination of a family's welfare grant.

D. Limitations of the AFDC-U Analysis

The unique composition of the Jobs-First GAIN AFDC-U sample and the timing of the evaluation enhance the importance of this chapter's findings; however, the AFDC-U analysis is limited in some ways. First, while AFDC/TANF and Food Stamps are captured for the entire family,[9] employment and earnings apply to just one parent per family, so program effects on these measures may be underestimated. If the program helped both parents find jobs, this effect would be revealed for only one parent. (As noted in Chapter 2, less than 10 percent of AFDC-U experimental group members had a spouse or partner who participated in an employment-related activity during the follow-up period.) Second, while this chapter presents subgroup impacts, it does not explore the complex interactions among subgroups. For example, it does not formally

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[8]Becerra et al., Executive Summary of *California Work Pays Demonstration Project: January 1993 Through June 1995*, 1996, p. 2.

[9]The evaluation does not track the incidence of household break-ups among AFDC-Us. In these situations, the custodial parent (usually, but not always, the mother) retains eligibility for welfare under the AFDC-FG program. If a sample member's case number had changed following such a break-up, her AFDC/TANF and Food Stamp payments would no longer have been captured. (It is unclear how often household break-ups lead to a change in case number.) This limitation of the analysis is very minor, however, because less than 1 percent of AFDC-Us had payments to more than one case number during the follow-up period.

investigate whether differences across subgroups in the percentage male and female, or in the percentage without English proficiency, are related to differences in subgroup impacts.

II. Summary of Key Findings

- Averaged across the full AFDC-U sample (both men and women), Jobs-First GAIN produced large first-year impacts on both employment and earnings: 12 percentage points and $1,082, respectively. Gains remained substantial throughout the follow-up period and are therefore likely to persist in year 2.

- The program also decreased the average length of AFDC/TANF receipt for the full sample by a moderate amount (about 2½ weeks) and reduced welfare expenditures by a large amount ($667, or 10 percent). A substantial portion of these savings reflect the lower average monthly grants for those still on welfare. (Reductions in average monthly grants can result from more experimental than control group members combining work and welfare and/or receiving sanctions.)

- As a result of California's generous earnings disregards, most employed Jobs-First GAIN enrollees still received AFDC/TANF at the end of year 1. Consequently, the program's increase in the percentage employed and off welfare was small.

- In year 1, experimental group members received 11 percent fewer Food Stamp dollars than control group members. Food Stamp savings should continue in year 2.

- Earnings gains for the full AFDC-U sample were matched by reductions in AFDC/TANF and Food Stamp payments. As a result, Jobs-First GAIN did not increase combined income from these sources during the first year of follow-up.

- Impacts on average earnings and AFDC/TANF payments were moderate for women and large for men.

- The program positively affected many different segments of the AFDC-U caseload, including recipients in all five Jobs-First GAIN regions, recipients of all races/ethnicities, and recipients with the least as well as the most barriers to employment.

III. Impacts on Employment and Earnings for the Full Sample

Jobs-First GAIN produced large increases in employment and earnings for the full AFDC-U sample (both men and women). In the first year of follow-up, 42 percent of control group members worked for pay. (See Table 5.1.) The typical control group member was employed for a total of three and a half months (1.17 quarters) and earned $2,455 (zeros for people

Table 5.1
Impacts on Employment, Earnings, AFDC/TANF, Food Stamps, and Combined Income for AFDC-Us in the Full Sample

Outcome	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Employed Q2 to 5 (%)	53.6	41.6	11.9 ***	28.6
Q2	37.4	25.1	12.3 ***	49.0
Q3	39.4	29.0	10.3 ***	35.7
Q4	40.7	30.1	10.5 ***	34.9
Q5	41.8	32.6	9.2 ***	28.2
Q6	42.7	33.9	8.8 ***	25.8
Quarters employed Q2 to 5	1.59	1.17	0.42 ***	36.3
Earnings Q2 to 5 ($)	3,538	2,455	1082 ***	44.1
Q2	700	404	296 ***	73.1
Q3	851	586	265 ***	45.2
Q4	933	700	233 ***	33.3
Q5	1,054	765	289 ***	37.8
Q6	1,137	878	259 ***	29.5
If ever employed in year 1				
Quarters employed	*2.97*	*2.81*	*0.17* [a]	*5.9*
Quarter of first employment	*2.53*	*2.72*	*-0.19* [a]	*-6.9*
Quarters in first employment spell	*2.88*	*2.73*	*0.16* [a]	*5.7*
Average earnings per quarter employed ($)				
Q2 to 5	*2,222*	*2,101*	*121* [a]	*5.7*
Ever received AFDC/TANF Q2 to 5 (%)	96.8	98.1	-1.3 **	-1.3
Months received AFDC/TANF Q2 to 5	9.87	10.46	-0.59 ***	-5.6
Received AFDC/TANF (%)				
Q2	96.4	97.7	-1.3 **	-1.3
Q3	89.5	93.3	-3.8 ***	-4.1
Q4	82.7	88.3	-5.6 ***	-6.3
Q5	77.3	82.7	-5.4 ***	-6.5
Q6	71.9	78.4	-6.5 ***	-8.3
AFDC/TANF amount Q2 to 5 ($)	6,180	6,847	-667 ***	-9.7
Q2	1,821	1,916	-95 ***	-5.0
Q3	1,601	1,774	-173 ***	-9.7
Q4	1,434	1,632	-198 ***	-12.1
Q5	1,323	1,524	-201 ***	-13.2
Q6	1,204	1,387	-182 ***	-13.1

(continued)

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Table 5.1 (continued)

Outcome	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Ever received Food Stamps Q2 to 5 (%)	95.8	97.4	-1.6 **	-1.7
Months received Food Stamps Q2 to 5	9.94	10.56	-0.62 ***	-5.9
Received Food Stamps (%)				
Q2	95.0	97.0	-1.9 ***	-2.0
Q3	88.8	93.2	-4.4 ***	-4.7
Q4	82.3	88.6	-6.3 ***	-7.1
Q5	77.7	83.3	-5.6 ***	-6.7
Q6	72.0	78.1	-6.1 ***	-7.8
Food Stamps amount Q2 to 5 ($)	2,449	2,759	-310 ***	-11.2
Q2	698	750	-52 ***	-7.0
Q3	632	718	-86 ***	-12.0
Q4	590	678	-88 ***	-13.0
Q5	529	612	-83 ***	-13.5
Q6	458	530	-72 ***	-13.5
Average combined income Q2 to 5 ($)[b]	12,167	12,061	106	0.9
Sample size (total = 5,048)	4,039	1,009		

SOURCE: MDRC calculations from California Employment Development Department Unemployment Insurance earnings records and LA DPSS Integrated Benefit Payment System AFDC/TANF and Food Stamp payment records.

NOTES: The quarter of random assignment, quarter 1, may contain some earnings, AFDC/TANF payments, or Food Stamp payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Unless shown in italics, dollar averages include zero values for sample members not employed and for sample members not receiving welfare. Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Italicized estimates cover only periods of employment. Differences between experimental group members and control group members for such "conditional" estimates are not true experimental comparisons.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the experimental and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a]Not a true experimental comparison; statistical tests were not performed.

[b]"Combined income" is income from earnings, AFDC/TANF, and Food Stamps.

who never worked are averaged into these measures).[10] In general, these outcomes fall below the outcomes for AFDC-U control group members in previous evaluations, possibly because these studies only included primary wage-earners.[11] Jobs-First GAIN produced a 12 percentage point increase in the proportion employed, more than a month increase in the average length of employment, and an earnings gain of over $1,000.

Experimental group members found jobs a little sooner than control group members and remained employed slightly longer. As shown in Table 5.1, control group members who worked in year 1 began their employment toward the end of quarter 2 (quarter 2.72). The average length of their first employment spell was about eight months (2.73 quarters). Jobs-First GAIN decreased the period before the first job by about two weeks and increased employment duration by a similar amount.

As described in Chapter 4, earnings impacts can result from more job-finding (measured by the employment impact), longer employment duration (measured by the difference in average number of quarters employed for those employed), and higher earnings on the job (measured by the difference in average earnings per quarter employed). About two-thirds of the AFDC-U earnings gain resulted from increased job-finding, slightly lower than the AFDC-FG proportion (not shown in tables). The remainder resulted equally from longer employment duration and higher average earnings for experimental group members with jobs. Thus, Jobs-First GAIN more positively affected job quality for members of two-parent families than for single parents — although neither assistance type experienced great improvement. (As noted in the previous chapter, the increase in earnings for employed AFDC-FGs was negligible.)

Experimental-control group differences in employment grew smaller over the follow-up period but remained substantial in quarter 6: 43 percent of experimental group members had a job versus 34 percent of control group members — a difference of 9 percentage points. (See Table 5.1.) For the April-June cohort, the employment impact declined a little further in quarter 7, to 8 percentage points (not shown in tables).

Figure 5.1 presents quarterly earnings impacts for the full sample and the April-June cohort. Through quarter 6, the full sample pattern of impacts over time closely follows that of the April-June cohort, suggesting that it will continue to do so in quarter 7 and beyond. For both samples, earnings gains remained fairly stable through quarter 6. The April-June cohort achieved its largest earnings boost, $330, in quarter 7. Thus, employment and earnings will most likely continue through year 2, and future earnings gains could be large.

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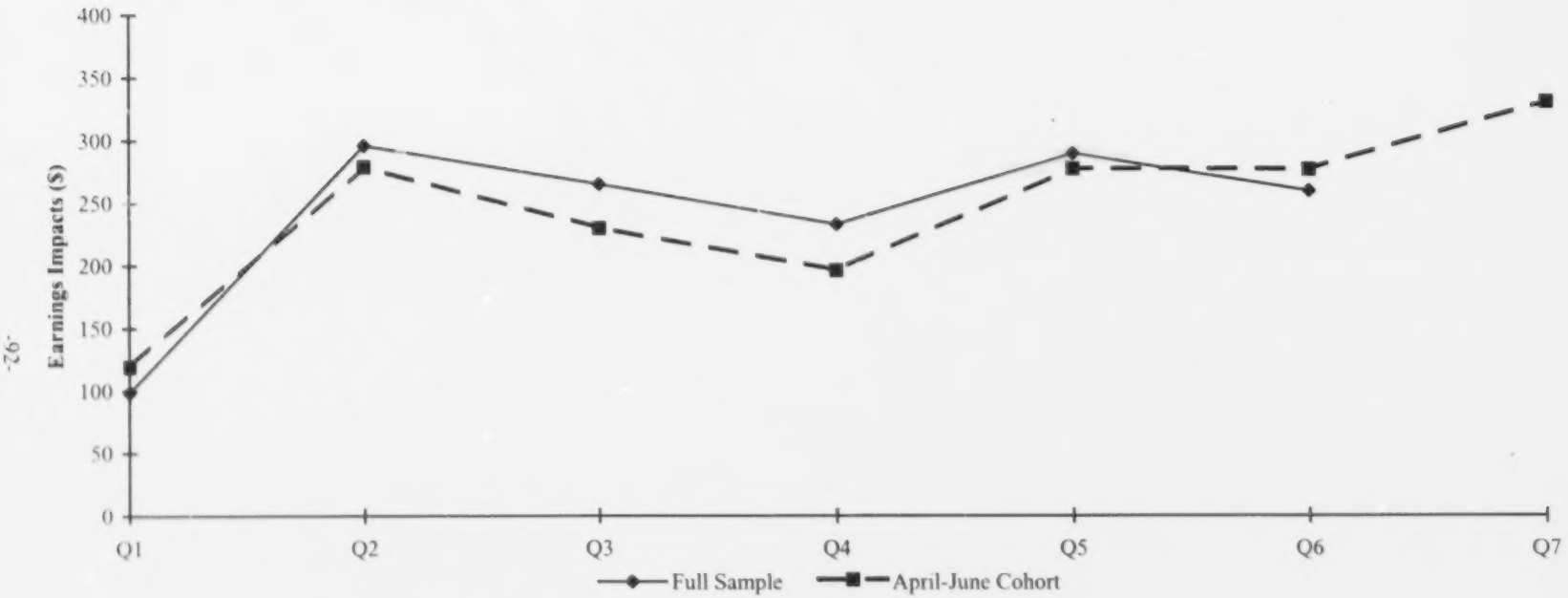
[10]The number of months is approximate, because UI earnings data do not indicate in which months of the quarter sample members worked. Averaging measures of quarters across sample members results in fractions of quarters, which are converted into months.

[11]Four of the six counties in the GAIN evaluation — Butte, Riverside, San Diego, and Tulare — had higher control group employment and earnings levels in year 1 (after inflation adjustment). See Riccio et al., 1994, Table 6.1.

Los Angeles Jobs-First GAIN Evaluation

Figure 5.1
Quarterly Impacts on Earnings for AFDC-Us



SOURCE: MDRC calculations from California Employment Development Department Unemployment Insurance earnings records.

NOTES: The quarter of random assignment, quarter 1, may contain some earnings from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

The April-June cohort contains sample members randomly assigned between April and June 1996.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

IV. Impacts on Public Assistance for the Full Sample

A. AFDC/TANF Receipt and Payments

During the first year of follow-up, AFDC-U control group members spent an average of 10 1/2 months on cash assistance, the same amount of time as their single-parent counterparts. (See Tables 4.1 and 5.1.) Jobs-First GAIN lowered the length of welfare receipt by about half a month, a moderate reduction of 6 percent relative to the control group mean. At the end of year 1 (quarter 5), 77 percent of experimental group members versus 83 percent of control group members were on welfare (a moderate decrease). While Jobs-First GAIN's effect on welfare receipt was promising, these results suggest that the vast majority of program enrollees will still receive assistance at the end of year 2. Under CalWORKs, most recipients who reach a two-year time limit without a job will be required to participate in community service.

As shown in Table 5.1, AFDC/TANF expenditures totaled $6,847 per control group member in year 1, about $1,000 more than what was spent on single parents. The program saved $667 (10 percent) in welfare payments per experimental group member, a large amount that exceeds the single-parent impact. Reductions in average monthly grants for those still on assistance, which may result from combining work and welfare or from sanctioning, contributed 42 percent of these savings.[12] This proportion slightly exceeds the AFDC-FG proportion and, compared to previously evaluated Work First programs, is fairly large (not surprising, considering that the ending of the 100-hour rule encouraged combining work and welfare).

Figure 5.2 illustrates how dollar reductions in AFDC/TANF grew larger for most of follow-up but started to diminish toward the end. Percent reductions, however, did not decline over time (not shown). For the full sample, savings in the last two quarters of year 1 were about $200, or 12 to 13 percent. In quarter 6, the dollar impact dropped to $182, but the percent reduction remained at 13 percent. For the April to June cohort, dollar reductions grew even smaller in quarter 7 (to $162) but still represented a 13 percent decrease relative to the control group. This large impact suggests that welfare savings will continue at least through the end of year 2.

B. Food Stamp Receipt and Payments

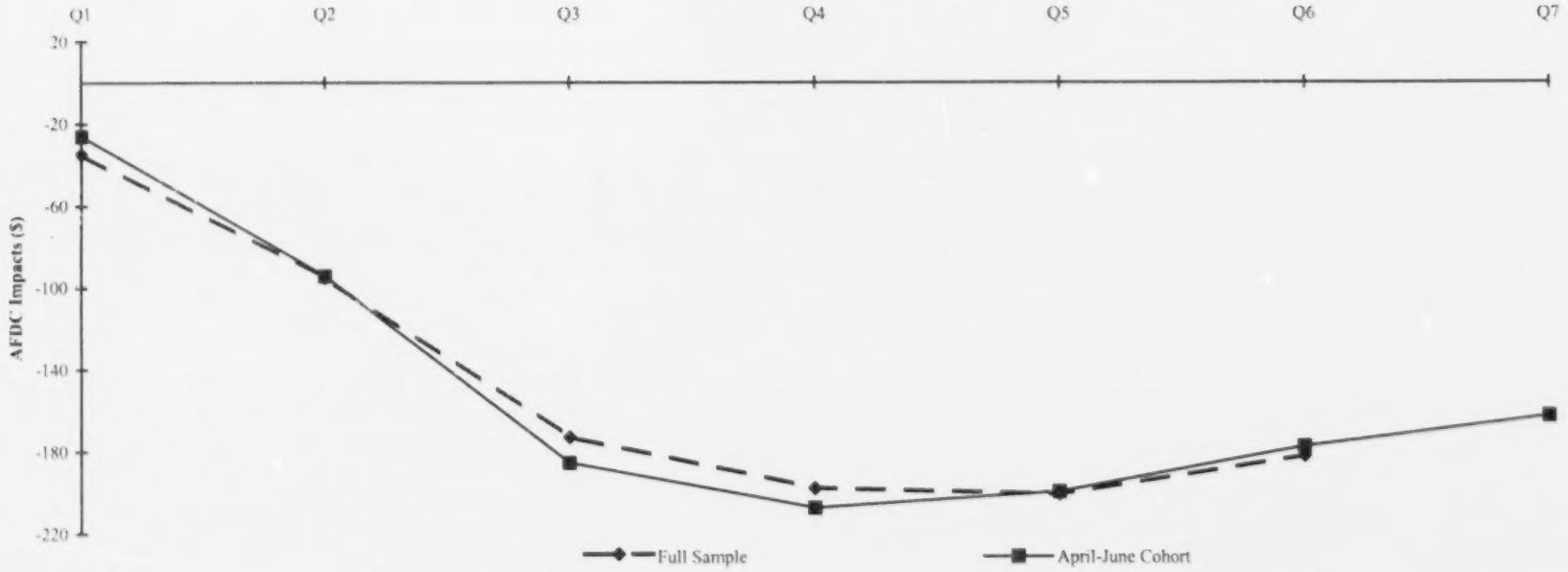
During year 1, experimental group members in the full sample received Food Stamps for an average of 10 months, about 2½ weeks less than control group members (a 6 percent reduction; see Table 5.1). Jobs-First GAIN lowered Food Stamp expenditures from $2,759 to $2,449, a decrease of $310 (11 percent). Percent reductions in Food Stamps were about as large as percent reductions in AFDC.

During the last quarter of year 1, 83 percent of control group members received Food Stamps (the same amount that received AFDC/TANF). Jobs-First GAIN reduced this proportion by a moderate amount: 6 percentage points. (See Table 5.1.) For the April-June cohort, Food Stamp dollar and percent reductions peaked toward the end of year 1 but remained substantial in

[12]Household break-ups, which lead to fewer people on an AFDC/TANF case, may have also contributed to lower average monthly grants for those still on assistance. As noted above, however, the incidence of household break-ups was not tracked, so this analysis does not explore the magnitude of the role they played in welfare savings.

Los Angeles Jobs-First GAIN Evaluation

Figure 5.2
Quarterly Impacts on AFDC/TANF Payments for AFDC-Us



SOURCE: MDRC calculations from LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTES: The quarter of random assignment, quarter 1, may contain some AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

The April-June cohort contains sample members randomly assigned between April and June 1996.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

quarter 7 (not shown in tables). These results indicate that Food Stamp savings will likely persist through the second year of follow-up.

V. Impacts on Employment and Welfare Status After One Year for the Full Sample

As explained in the previous chapter, enrollees in welfare-to-work programs can attain varying degrees of self-sufficiency. In general, those who remain jobless and on welfare can be considered the most dependent, those who combine work and welfare are somewhat more self-sufficient, and those who work for pay and are off the rolls have achieved the greatest degree of self-sufficiency. Figure 5.3 presents a breakdown of experimental and control group members according to their employment and welfare status in the last quarter of year 1. It shows that, of control group members, 58 percent were jobless and on AFDC/TANF, 25 percent combined work and welfare, 8 percent worked without welfare, and 10 percent lacked both a job and a welfare check.

Jobs-First GAIN lowered the proportion in the least self-sufficient group by 11 percentage points and increased the proportions in the remaining categories (the increase in the percentage jobless and off welfare was not statistically significant). The overall employment gain in quarter 5 resulted partly from the program's small impact on employment without welfare (a 4 percentage point increase) and partly from its similar impact on combining work and welfare (a 5 percentage point increase). The majority of employed sample members — regardless of research group — combined work and welfare.

VI. Impacts on Combined Income from Earnings, AFDC/TANF, and Food Stamps for the Full Sample

In the first year of follow-up, Jobs-First GAIN replaced welfare dollars with earnings but did not raise average combined income for members of two-parent families. As shown in the last row of Table 5.1, both experimental and control group members received about $12,000 in earnings, AFDC/TANF payments, and Food Stamps. (This measure of income includes earnings only from the sample member, and not from the other parent on the case.) Considering that previously evaluated programs tended to decrease the overall income of AFDC-Us, this result is relatively positive.

VII. Subgroup Impacts

This section presents impacts for selected subgroups of AFDC-U recipients. As illustrated below, Jobs-First GAIN increased employment and earnings and reduced AFDC/TANF payments for a variety of subgroups, including the most disadvantaged recipients. Most of the results discussed in this section are presented in Table 5.2.

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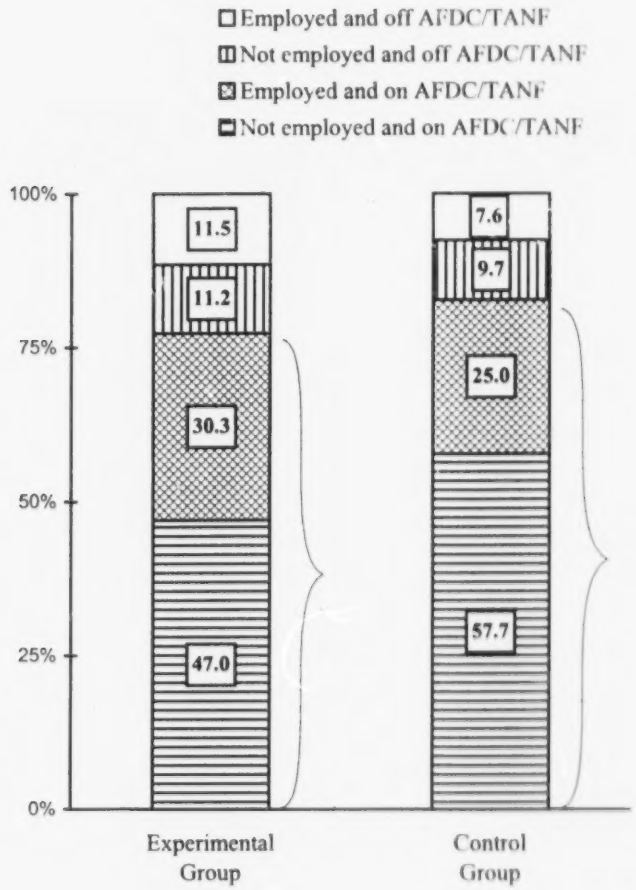
Figure 5.3

Employment and AFDC/TANF Status at the End of Year 1 for AFDC-Us



SOURCE: MDRC calculations from California Employment Development Department Unemployment Insurance earnings records and LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTES: The bracketed area represents the proportion of sample members on AFDC/TANF at the end of year 1.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

Table 5.2
Program Impacts on Employment, Earnings, and AFDC/TANF Payments and Receipt for Selected Subgroups of AFDC-Us

Region and Subgroup	Sample Size	Ever Employed in Year 1: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Average Total Earnings in Year 1: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
San Fernando Valley (Region 2)	1,507	45.8	34.2	11.7 ***	34.2	2,778	2,029	749 *** xx	36.9
San Gabriel Valley (Region 3)	1,376	56.9	47.2	9.7 ***	20.5	3,701	2,624	1,077 ***	41.1
Central (Region 4)	591	50.2	42.2	8.0 *	19.0	3,004	2,821	182	6.5
Southern (Region 5)[a]	611	57.7	42.1	15.6 ***	37.1	4,205	3,007	1,198 **	39.8
Southeastern (Region 6)	963	60.6	43.8	16.7 ***	38.2	4,397	2,252	2,144 *** xx	95.2
Female	2,393	43.2	30.5	12.7 ***	41.4	2,237	1,497	740 ***	49.5
Male	2,655	62.9	51.9	11.0 *** x	21.2	4,723	3,274	1,449 *** xxx	44.2
White	1,420	42.0	32.4	9.6 ***	29.7	2,379	2,060	319	15.5
Hispanic	2,362	59.3	44.4	14.9 ***	33.4	4,316	2,485	1,830 ***	73.7
Asian	990	53.9	47.4	6.5 **	13.8	3,083	2,428	655 **	27.0
Has a high school diploma or GED	2,044	51.1	41.1	9.9 ***	24.2	3,613	2,835	778 **	27.4
Does not have a high school diploma or GED	3,004	55.3	42.1	13.2 ***	31.4	3,482	2,226	1,256 ***	56.4
Applicant	142	63.0	46.6	16.4 * u	35.3	5,855	3,843	2,013 u	52.4
Short-term recipient	1,454	58.3	45.0	13.3 ***	29.7	4,514	2,877	1,637 ***	56.9
Long-term recipient	3,452	51.3	39.4	11.9 *** xx	30.2	3,037	2,199	838 *** x	38.1
Employed in year prior to random assignment	1,745	80.9	73.2	7.8 ***	10.6	6,327	4,731	1,597 ***	33.8
Not employed in year prior to random assignment	3,303	39.2	24.9	14.3 ***	57.4	2,064	1,240	824 ***	66.5
Most disadvantaged[b]	1,499	39.6	23.6	16.0 ***	68.1	1,950	902	1,048 ***	116.1

(continued)

Table 5.2 (continued)

Region and Subgroup	Sample Size	Average Total AFDC/TANF Payments in Year 1: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)	Received AFDC/TANF in Quarter 5: Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
San Fernando Valley (Region 2)	1,507	6,507	6,818	-311 **	-4.6	82.3	81.6	0.7	0.8
San Gabriel Valley (Region 3)	1,376	6,079	6,829	-750 ***	-11.0	76.1	81.8	-5.8 **	-7.0
Central (Region 4)	591	6,631	7,036	-405 *	-5.8	84.3	89.0	-4.6	-5.2
Southern (Region 5)[a]	611	6,465	7,189	-723 ***	-10.1	75.2	84.9	-9.7 **	-11.4
Southeastern (Region 6)	963	5,380	6,498	-1,117 ***	-17.2	68.7	79.1	-10.4 ***	-13.1
Female	2,393	6,071	6,495	-424 ***	-6.5	76.7	79.7	-2.9	-3.7
Male	2,655	6,285	7,133	-848 ***	-11.9	77.9	85.0	-7.0 ***	-8.3
White	1,420	6,599	6,965	-367 **	-5.3	83.3	85.0	-1.7	-2.0
Hispanic	2,362	5,576	6,438	-863 ***	-13.4	70.5	79.5	-9.0 ***	-11.3
Asian	990	7,017	7,651	-634 ***	-8.3	85.8	89.5	-3.7	-4.1
Has a high school diploma or GED	2,044	6,122	6,590	-468 ***	-7.1	76.8	79.6	-2.8	-3.5
Does not have a high school diploma or GED	3,004	6,225	6,994	-770 ***	-11.0	77.7	84.5	-6.8 ***	-8.0
Applicant	142	4,773	5,296	-524	-9.9	64.3	78.4	-14.1	-18.0
Short-term recipient	1,454	5,018	6,096	-1,078 ***	-17.7	63.6	73.9	-10.3 ***	-14.0
Long-term recipient	3,452	6,730	7,220	-490 ***	-6.8	83.7	86.3	-2.6 *	-3.1
Employed in year prior to random assignment	1,745	5,573	6,584	-1,011 ***	-15.4	72.5	80.2	-7.7 ***	-9.6
Not employed in year prior to random assignment	3,303	6,497	7,007	-510 ***	-7.3	79.8	84.2	-4.4 ***	-5.3
Most disadvantaged[b]	1,499	6,880	7,543	-663 ***	-8.8	82.9	90.0	-7.2 ***	-8.0

(continued)

Table 5.2 (continued)

SOURCE: MDRC calculations from California Employment Development Department Unemployment Insurance earnings records and LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTES: The quarter of random assignment, quarter 1, may contain some earnings or AFDC/TANF payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the experimental and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

A homogeneity test was applied to variation in impacts across subgroups. Statistical significance levels are indicated above the set of subgroups to which they apply as: x = 10 percent; xx = 5 percent; and xxx = 1 percent. Zero "x"s means variation in impacts did not achieve statistical significance.

The sample sizes for the ethnicity subgroups do not add up to the full sample size, because results for African-Americans, Native Americans, and Pacific Islanders are not presented. Their sample sizes were too small for reliable estimates.

The welfare history subgroups (applicants, short-term recipients, and long-term recipients) were defined through a combination of self-reported information and administrative records data. See Appendix B for more details.

[a]This region serves the low-income communities of Watts, Compton, and North Long Beach.

[b]The "most disadvantaged" subgroup consists of long-term recipients who did not have a high school diploma or GED certificate at random assignment and who did not work for pay in the year prior to random assignment.

[c]The symbol "u" indicates that, because of a very small sample size, the impact estimate shown is unreliable.

A. Men and Women

Table 5.2 illustrates that, in general, impacts were larger for men than women.[13] As expected, more male than female control group members worked during the first year of follow-up: about one-half versus one-third.[14] Men earned over twice as much as women, on average: $3,274 versus $1,497. (Zero earnings for jobless sample members are averaged into both of these measures.)

Both subgroups, however, achieved a large (greater than 10 percentage point) increase in the proportion employed during year 1. Earnings gains were nearly twice as large for men ($1,449) as for women ($740), despite the similarity in employment increases. The reason for this difference is that male experimental group members who worked earned more per quarter (on average) than their control group counterparts, but female experimental group members did not (not shown in tables). For men, higher earnings on the job contributed about one-fourth of the overall earnings impact.

Both subgroups should continue to achieve employment and earnings gains in year 2, but impacts for men will probably grow smaller. In the last quarter of follow-up (quarter 6), the employment gain for men declined to 8 percentage points. Their earnings increases also diminished slightly but remained large in quarter 6 ($281). For women, employment impacts were large throughout follow-up, and earnings gains peaked in quarter 6 at $253, indicating that they may eventually approach the earnings gains of men.

Despite their higher earnings levels, male control group members received more AFDC/TANF dollars, on average, than their female counterparts during year 1: $7,133 versus $6,495. (See Table 5.2. It is unclear why this apparent inconsistency occurred.) In addition, they were more likely to be on welfare in quarter 5: 85 percent of men compared to 80 percent of women received cash assistance.

Jobs-First GAIN reduced first-year AFDC/TANF payments by a large amount for men ($848, or 12 percent) and a moderate amount for women ($424, or 7 percent). The causes of these savings did not differ much by gender: Similar percentages of the impact (44 percent for men and 41 percent for women) resulted from lower average monthly grants for those still on assistance. The program decreased the proportion of men on welfare at the end of year 1 by a moderate amount, but it did not lower AFDC/TANF receipt for women. For both subgroups, percent reductions in AFDC/TANF payments grew larger with each quarter of follow-up, indicating that savings will continue into year 2 (not shown in tables).

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[13]The differences in first-year earnings gains and AFDC/TANF payment reductions for men and women were statistically significant at the 5 percent level. The difference in impacts on welfare receipt at the end of year 1 fell a little above the 10 percent level of significance.

Given that the earlier Los Angeles GAIN AFDC-U sample consisted primarily of men, it makes the most sense to compare their results to results for *male* AFDC-Us, as opposed to all AFDC-Us, in Los Angeles Jobs-First GAIN. This comparison indicates that the new program was as effective as its predecessor in increasing employment and substantially more effective in raising earnings and lowering welfare receipt and payments. This comparison is very rough, however. See Chapter 2 for an explanation of why no formal comparisons of AFDC-U results were made.

[14]The AFDC-FG control group employment level fell in between these proportions (43 percent).

B. Regions[15]

In the first year of follow-up, control group employment levels ranged from 34 percent in the San Fernando Valley to 47 percent in the San Gabriel Valley. (See Table 5.2.) Average earnings for control group members were lowest in the San Fernando Valley ($2,029) and highest in Southern ($3,007).

Jobs-First GAIN generated moderate-to-large employment gains in all five regions. Average earnings increased by moderate-to-large amounts in all regions but Central (which had no statistically significant gain). In Southeastern, a region in which over half the sample lacks English proficiency, experimental group members experienced an unusually large boost, earning $2,144 more (on average) than control group members. Also of note are the large increases in employment and earnings that occurred in Southern, which contains the low-income communities of Watts, Compton, and North Long Beach. These results show that Work First programs can succeed even in neighborhoods with large immigrant populations and high concentrations of poverty.

During year 1, control group members received between $6,498 (in Southeastern) and $7,189 (in Southern) in AFDC/TANF payments. The percentage of the control group still on welfare at the end of the year ranged from 79 percent (in Southeastern) to 89 percent (in Central).

Jobs-First GAIN lowered welfare expenditures in all five regions and produced large savings in three of the five. Impacts on AFDC/TANF receipt were less consistent. The program reduced the percentage on welfare in quarter 5 by a large amount in two regions, Southern and Southeastern, and a moderate amount in the San Gabriel Valley. In the other two regions, experimental group members were just as likely as control group members to receive cash assistance in quarter 5.

C. Race/Ethnicity

As shown in Table 5.2, Jobs-First GAIN positively affected welfare recipients in each of the three main racial/ethnic groups in the AFDC-U sample: whites, Hispanics, and Asians.[16] (There were not enough African-Americans in the AFDC-U sample for reliable analysis.) Hispanics experienced the largest, most consistent impacts. The results presented below appear more impressive in light of the fact that about half of whites and Hispanics, and almost three-fourths of Asians, lacked English proficiency at random assignment. In comparison, a lot fewer single-parent whites (11 percent) and somewhat fewer single-parent Hispanics and Asians (32 percent and 57 percent, respectively) had limited English.

Among AFDC-U control group members, the proportion employed in year 1 ranged from 32 percent for whites to 47 percent for Asians, and first-year earnings averaged between $2,060

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[15]The difference in the proportion of men versus women reached statistical significance in three regions: the San Fernando Valley (41 percent male), Central (69 percent male), and Southeastern (56 percent male). A higher proportion of men did not necessarily lead to larger program effects. Although Southeastern boasted the largest effects, Central produced some of the smallest. In addition, employment and earnings gains in the San Fernando Valley exceeded those of Central.

[16]The difference in the proportion of men versus women reached statistical significance for whites (46 percent male) and for Asians (59 percent male), but not for Hispanics. As for regional subgroups, gender make-up did not seem to strongly influence the magnitude of program effects for racial/ethnic subgroups.

for whites and $2,485 for Hispanics. Welfare receipt and expenditures were lowest for Hispanics and highest for Asians.

The employment and earnings gains of Hispanics were unusually large (15 percentage points and $1,830), and their welfare savings exceeded 10 percent. At the end of the year, 71 percent of Hispanic experimental group members received AFDC/TANF, versus 80 percent of the control group (a 9 percentage point difference). Hispanics were the only racial/ethnic subgroup to achieve a decrease in this measure.

Like Hispanics, whites experienced a large employment gain; however, their earnings did not increase by a statistically significant amount, because those who found work earned less on the job, on average, than their control group counterparts.[17] Reductions in AFDC/TANF payments were moderate (5 percent) for whites. For Asians, impacts on employment, earnings, and AFDC/TANF payments in year 1 reached moderate levels (7 percentage points, $655, and 8 percent, respectively).

D. Educational Attainment

As shown in Table 5.2, Jobs-First GAIN produced impacts for sample members who had a high school diploma or GED certificate at random assignment, as well as for those who did not ("nongraduates"). Prior educational status did not appear to be a strong determinant of AFDC-Us' future employment and earnings levels. The same proportion (about 40 percent) of graduate and nongraduate control group members obtained a job in the first year of follow-up, and average earnings were not too different — about $600 more for graduates.

For nongraduates, the program generated large impacts on employment, earnings, and AFDC/TANF payments in year 1, and a moderate decrease in welfare receipt in quarter 5. (Each of the nongraduate impacts exceeded its corresponding graduate impact, but only the difference in welfare savings was statistically significant.) This finding illustrates that a Work First approach can succeed for recipients who, in other types of programs, may have been sent to education or training activities.

E. Employment History

Jobs-First GAIN also benefited recipients who worked in the year prior to random assignment, which is the most job ready subgroup, and recipients who lacked employment during this time, which is one of the least job ready subgroups. Table 5.2 shows that post-random assignment employment and earnings levels for these two subgroups differed considerably. An extremely large proportion, almost three-fourths, of control group members with recent employment experience worked in the first year of follow-up. Their earnings averaged $4,731 — more than that of any other subgroup (zeros for individuals who did not work are averaged into this measure). In contrast, of the control group members who had been jobless for at least a year before random assignment, only one-fourth found employment in the year after random assignment, and their earnings averaged just $1,240.

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[17]There was a $293 decrease in quarterly earnings for employed whites in year 1 (not shown in tables). This decrease most likely resulted from the program finding work for a relatively disadvantaged group of welfare recipients who would have remained jobless on their own. The wages of these individuals could have brought down the experimental group average.

The program helped find jobs even for the recipients with no recent work history. The large employment gain for this group, 14 percentage points, exceeds the moderate gain for recipients who worked in the year prior to random assignment. Earnings increases, however, were larger for the latter group.[18] This finding is explained by the fact that those with a recent work history who worked during the follow-up period earned substantially more per quarter ($698) than their counterparts in the control group, whereas employed individuals in the other subgroup experienced a slight decrease ($64) in earnings on the job (not shown in tables).[19] For the most job ready recipients, higher earnings on the job made a greater contribution to the overall earnings gain than job-finding did. In other words, Jobs-First GAIN raised overall earnings for this subgroup mainly by increasing the pay for program enrollees who would have found work on their own anyway and somewhat less by finding employment for those who would have remained jobless.

F. Welfare History

Table 5.2 includes impacts for applicants, short-term recipients, and long-term recipients.[20] As expected, control group members who were new to welfare achieved higher employment and earnings levels and received fewer AFDC/TANF dollars during the year after random assignment than those with longer welfare histories; however, applicants in the control group were more likely to be on welfare at the end of the year than their short-term-recipient counterparts. Long-term recipients in the control group worked and earned the least and relied on welfare the most during the first year of follow-up.

Among applicants, experimental-control group differences were large all around; however, the small sample size of this subgroup caused all but the employment gain to fall short of statistical significance. As shown in Table 5.2, Jobs-First GAIN produced large to unusually large impacts for short-term recipients on all four key measures. Long-term recipients benefited from the program somewhat less. Despite their substantial employment and earnings increases in year 1, 84 percent of long-term recipients in the experimental group still received welfare at the end of the year (2 percentage points less than the proportion of long-term-recipient control group members). Long-term recipients are most at risk of exhausting their welfare eligibility in an era of time limits, so it is particularly important that their employment eventually enable them to leave welfare before their clocks expire.

G. The Most Disadvantaged

In the first year of follow-up, about one-fourth of "most disadvantaged" control group members worked for pay. Year 1 earnings and AFDC/TANF payments for control group members in this subgroup averaged about $1,000 and $7,500, respectively. Nine in 10 were still on welfare at the end of year 1.

Jobs-First GAIN raised employment by a large amount and more than doubled average earnings. The program also reduced AFDC/TANF expenditures and receipt by moderate amounts. These results provide convincing evidence that even the most dependent welfare recipients with low educational attainment and no recent work history can benefit from a Work First program.

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[18]Differences in first-year impacts on employment and earnings for those employed and not employed in the year prior to random assignment were statistically significant.

[19]This decrease most likely resulted from the program's putting to work recipients who could only command relatively low wages and who, therefore, brought down the average for the entire experimental group.

[20]These groups were defined by a combination of self-reported information and administrative records data. See Appendix B for more details.

Appendix A

Supplementary Tables to Chapter 1

Appendix Table A.1
Selected Unemployment Rates
GAIN Regions, Los Angeles City, and Los Angeles County

GAIN Regions	Unemployment Rate (%)[a]		
	1996	1997	1998
San Fernando Valley (Region 2)	5.9	4.9	4.9
San Gabriel Valley (Region 3)	6.9	5.7	5.7
Central (Region 4)	5.1	4.3	4.3
Southern (Region 5)	7.7	6.4	6.4
Southeastern (Region 6)	8.9	7.4	7.5
Los Angeles City	9.3	7.8	7.8
Los Angeles County	8.2	6.8	6.9

SOURCE: State of California Employment Development Department.

NOTE: [a]These percentages represent the median unemployment rate among cities and Census Designated Places (CDP) within each of the GAIN regions.

Los Angeles Jobs-First GAIN Evaluation

Appendix Table A.2

AFDC/TANF and Jobs-First GAIN Caseloads
Los Angeles County

AFDC/TANF	AFDC-FG	AFDC-U	Total
AFDC/TANF caseload[a]			
July 1996	255,334	50,996	306,330
July 1997	228,706	46,010	274,716
July 1998	203,890	40,679	244,569
Jobs-First GAIN caseload			
July 1996	26,635	7,085	33,720
July 1997	33,023	8,444	41,467
July 1998	45,299	17,248	62,547

SOURCE: California Department of Social Services; Los Angeles County Department of Public Social Services.

NOTE: [a]AFDC caseload figures are for single- and two-parent cases. Caseload figures refer to a monthly average.

Appendix Table A.3

Maximum Monthly Earnings for Retaining Eligibility for Welfare Benefits and Maximum Monthly Earnings for Receiving the Full AFDC/TANF Grant Amount for a Family of Three, Under Work Pays, CalWORKs, and Pre-Work Pays Grant Calculation Rules

	Work Pays Rules		CalWORKs Rules	
Component of AFDC/TANF Grant Calculation	Maximum Earnings for Retaining Eligibility for Welfare	Maximum Earnings for Receiving Full Grant Amount	Maximum Earnings for Retaining Eligibility for Welfare	Maximum Earnings for Receiving Full Grant Amount
Total Gross Earned Income	$1,221	$332	$1,411	$225
Total Disregards	$487	$191	$818	$225
	$90 Work-Related Expenses + $30 + 1/3 of remainder		$225 + 1/2 of remainder	
Net Countable Income	$734	$141	$593	$0
Basic-Need Amount	$735	$735	N/A	N/A
Maximum Aid Payment	$594	$594	$594	$594
AFDC/TANF Grant Amount	**$1**	**$594**	**$1**	**$594**
	Lower of: (1) Basic-Need Amount minus Net Countable Income; or (2) Maximum Aid Payment		Maximum Aid Payment minus Net Countable Income	

	Pre-Work Pays Rules			
	Months 1-4		Months 5-12	
Component of AFDC/TANF Grant Calculation	Maximum Earnings for Retaining Eligibility for Welfare	Maximum Earnings for Receiving Full Grant Amount	Maximum Earnings for Retaining Eligibility for Welfare	Maximum Earnings for Receiving Full Grant Amount
Total Gross Earned Income	$1,010	$120	$713	$120
Total Disregards	$417	$120	$120	$120
	$90 Work-Related Expenses + $30 + 1/3 of remainder		$90 Work-Related Expenses + $30	
Net Countable Income	$593	$0	$593	$0
Basic-Need Amount	N/A	N/A	N/A	N/A
Maximum Aid Payment	$594	$594	$594	$594
AFDC/TANF Grant Amount	**$1**	**$594**	**$1**	**$594**
	Maximum Aid Payment minus Net Countable Income		Maximum Aid Payment minus Net Countable Income	

SOURCES: California Department of Social Services, Information Services Bureau, "Public Assistance Facts and Figures January 1998" (California Department of Social Services Website).

U.S. House of Representatives, Committee on Ways and Means, *1993 Green Book: Overview of Entitlement Programs: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means* and *1998 Green Book: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means* (Washington, D.C.: U.S. Government Printing Office, 1993, 1998).

NOTES: All grant calculations use the Maximum Aid Payment for July 1996 to illustrate the effects of changes in rules. The actual Maximum Aid Payment was $624 for the last month under pre-Work Pays rules (November 1992) and $565 for the first month of CalWORKs (January 1998).

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Appendix B

Issues for Measuring Background Characteristics of Los Angeles County's Jobs-First-GAIN-Mandatory Caseload and of the Jobs-First GAIN Evaluation Sample and Supplementary Tables and Figures to Chapter 2

Appendix B

Issues for Measuring Background Characteristics of Los Angeles County's Jobs-First-GAIN-Mandatory Caseload and of the Jobs-First GAIN Evaluation Sample

Chapter 2 describes how DPSS administrators changed the agency's priorities for serving welfare recipients to facilitate the evaluation of Jobs-First GAIN. The chapter documents this change by comparing the Jobs-First-GAIN-mandatory caseload in January 1996 to the evaluation sample on a limited number of background characteristics: recipients' length of time on welfare, FSA target group status, and regular or early enrollee status. MDRC used DPSS published reports on the number of welfare recipients by Appointment Type and other information provided by DPSS administrators for this analysis. This appendix discusses how these estimates were made and provides more detailed information on the evaluation sample and the Jobs-First-GAIN-mandatory caseload. As explained below, incomplete or contradictory information made it necessary to infer AFDC receipt and FSA target group status for some sample members and for some recipients in the larger caseload. It is unlikely, however, that these measurement problems affected the main findings.

I. Describing Changes in DPSS Referral Procedures

A. Estimating the Length of AFDC Receipt for the Jobs-First-GAIN-Mandatory Caseload in January 1996

As discussed in Chapter 2, each welfare recipient placed on the waiting list received an "Appointment Type," a grouping used to determine her place in the queue. Recipients' age, duration of welfare receipt, previous experience with welfare-to-work programs operated by LA DPSS, and other background characteristics determined their Appointment Type. Persons with the same Appointment Type were also ranked, usually according to the date they began their current welfare spell.

Table B.1 lists the most common Appointment Types for adult recipients, along with selected background characteristics of recipients included in these groupings. The standard naming conventions and computer code used by DPSS administrators and staff to distinguish Appointment Types appear in columns 2 and 3 of Table B.1. Figures B.1A (by number) and B.1B (by percentage) show the distribution by Appointment Type of adult recipients in Los Angeles County mandated to participate in Jobs-First GAIN. The first bar of these figures displays this information for the entire caseload, as of January 1996, three months before the start of sample intake.[1] The second and third bars show separate distributions for members of the caseload already referred to Jobs-First GAIN and for those still awaiting their initial referral, as of January 1996. The "unassigned group" includes most of the nearly 21,000 recipients who later entered the re-

[1]The table and figures exclude 17,466 welfare recipients from the county caseload whose Appointment Type made them ineligible for inclusion in the sample.

Appendix Table B.1
Appointment Type and Selected Characteristics of the Jobs-First-GAIN-Mandatory Caseload in January 1996 and Jobs-First GAIN Evaluation Sample Members

Type of Welfare Recipient	Appointment Type Code (DPSS)	Appointment Type Description (DPSS)	Length of Current Welfare Spell	How Recipients Are Referred to Jobs-First GAIN	Total Number of Recipients in the Welfare Caseload	Total Number of Sample Members
Member of Family Support Act Target Group						
Regular enrollee/very long-term recipient	TN	Target, Non-Volunteer < 6/1/91	At least 5 years	Reached the top of the waiting list and received their regularly scheduled referral	47,424	1,473
Regular enrollee/long-term recipient	ON	Target, Non-Volunteer > 6/1/91	Mostly, 3 to 5 years	Reached the top of the waiting list and received their regularly scheduled referral	29,557	7,876
Regular enrollee/other (includes 4 Appointment Types)	(1) ED	Expiring Deferral	*Probably at least 3 years*[a]	Referred a second time following a spell in non-mandatory status.	2,073	853
	(2) FI (3) PF	Post-Financial Sanction	*Probably at least 3 years*[a]	Referred a second time following a spell in non-mandatory status.	31	2,177
	(4) UT	> 18 with Child < 3	N/A[b]	Reached the top of the waiting list and received their regularly scheduled referral	N/A[b]	130
Early enrollee/long-term recipient	MV	Target, Mandatory Volunteer	Mostly, 3 to 5 years	Asked to enroll before regularly scheduled referral	8,750	3,569
Total target group members					87,835	16,078
Percentage of total recipients (%)					76.7	77.6

(continued)

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Appendix Table B.1 (continued)

Type of Welfare Recipient	Appointment Type Code (DPSS)	Appointment Type Description (DPSS)	Length of Current Welfare Spell	How Recipients Are Referred to Jobs-First GAIN	Total Number of Recipients in the Welfare Caseload	Total Number of Sample Members
Not a Member of Family Support Act Target Group						
Regular enrollee/newly approved applicant and short-term recipient	NN	Non-Target, Non-Volunteer	1 month to 3 years	Reached the top of the waiting list and received their regularly scheduled referral	24,558	4,159
Early enrollee/newly approved applicant and short-term recipient	NV	Non-Target, Volunteer	1 month to 3 years	Asked to enroll before regularly scheduled referral	2,116	494
Total non-target group members					26,674	4,653
Percentage of total recipients (%)					23.3	22.4
Total recipients					114,509	20,731

SOURCE: MRDC calculations from LA DPSS GEARS "Assigned and Unassigned Participants Production Report," January 1996; and GAIN Employment Activity and Reporting System (GEARS) and LA DPSS Integrated Benefit Payment System AFDC/TANF records.

NOTES: County caseload totals exclude 17,466 welfare recipients with Appointment Type that made them ineligible for the Jobs-First GAIN Evaluation sample.

[a]Most members of this group indicated at orientation they had received welfare for at least three of the previous five years.

[b]Welfare recipient with this Appointment Type are not required to enroll in the program. It is not clear why 130 members of the research sample had this Appointment Type.

search sample.[2] The last bar of Figures B.1A and B.1B displays the distribution by Appointment Type of members of the combined AFDC-FG and AFDC-U research samples. Information from the table and two graphs may be used to compare background characteristics of sample members to those of the larger caseload from which they were drawn.

As shown in Table B.1, the definitions of some, but not all, Appointment Types indicate how long a recipient had been receiving AFDC. For instance, recipients in the mandatory caseload with the Appointment Type TN, "Target, Non-Volunteer" (received AFDC since before

[2]MDRC did not collect the date on which a sample member was first referred to Jobs-First GAIN. Most sample members were first referred to Jobs-First GAIN after January 1996, but some entered the program during the sample intake period, having missed one or more previous appointments to attend orientation. Individuals were randomly assigned to the experimental or control groups, irrespective of their initial referral date, unless they were determined to be ineligible for membership in the sample.

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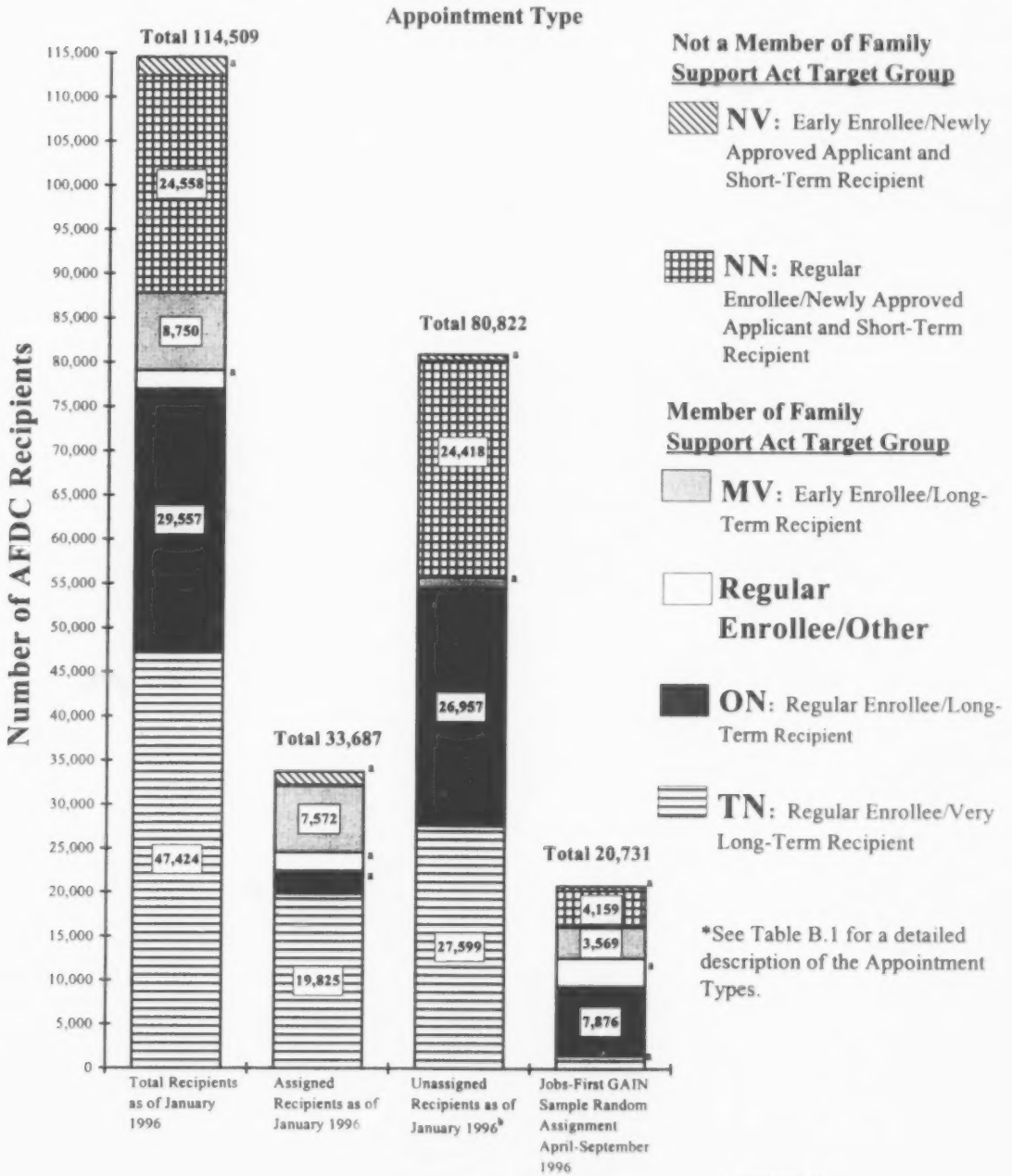
Appendix Figure B.1A
Number of Assigned and Unassigned Adults Required to Enroll in Jobs-First GAIN in January 1996 and Jobs-First GAIN Evaluation Sample Members, by Appointment Type



*See Table B.1 for a detailed description of the Appointment Types.

(continued)

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Appendix Figure B.1A (continued)

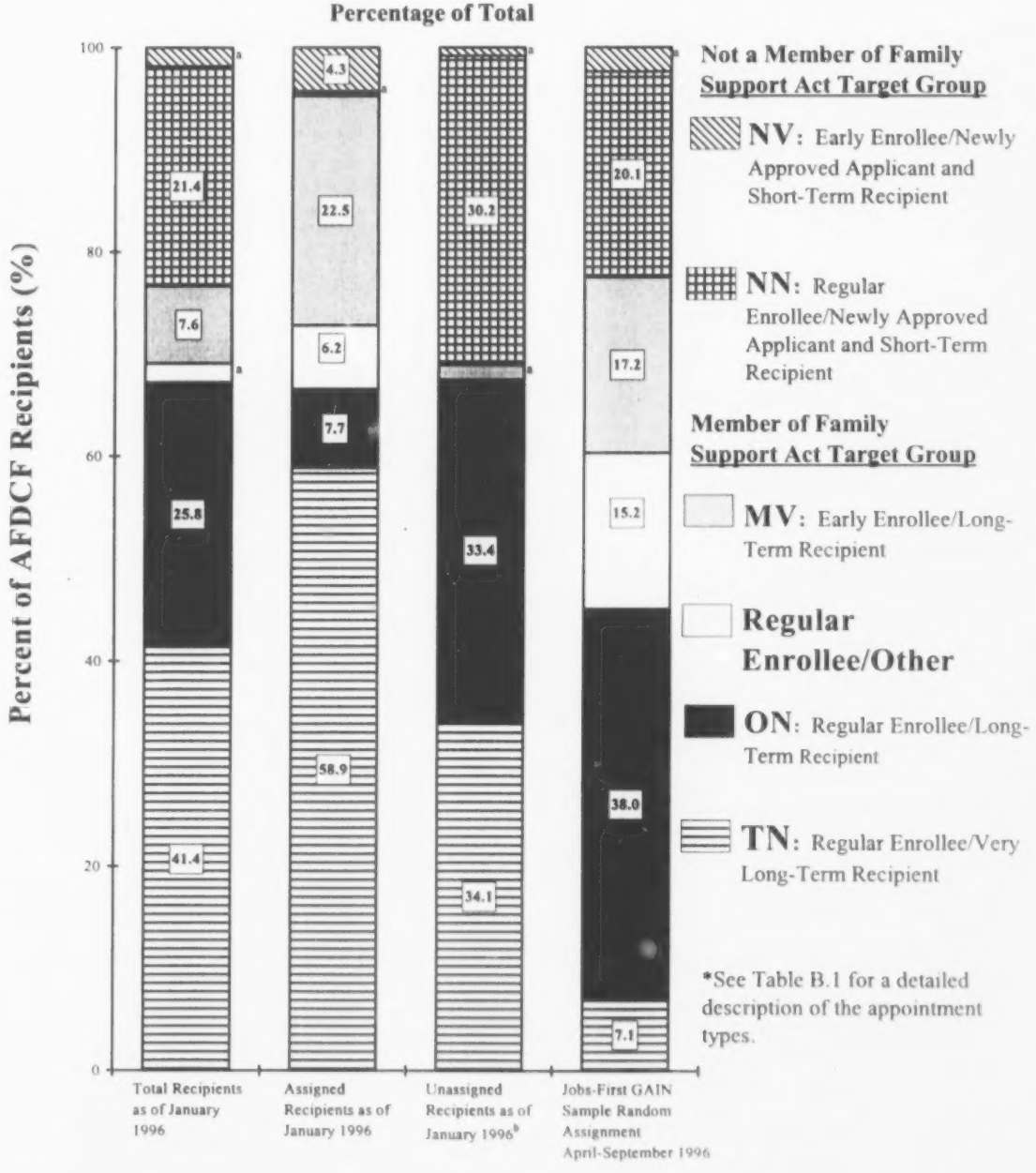
SOURCE: MDRC calculations from LA DPSS GEARS "Assigned and Unassigned Participants Production Report," January 1996; and GAIN Employment Activity and Reporting System (GEARS) and LA DPSS Integrated Benefit Payment System AFDC/TANF records.

NOTES: County caseload totals exclude 17,466 welfare recipients with Appointment Types that made them ineligible for the Jobs-First GAIN Evaluation sample.

[a] Numbers smaller than 3,500 are not shown.

[b] The Jobs-First GAIN sample consisted primarily of the cases that were unassigned as of January 1996.

Appendix Figure B.1B
Percentage of Assigned and Unassigned Adults Required to Enroll in Jobs-First GAIN in January 1996 and Jobs-First GAIN Evaluation Sample Members, by Appointment Type



(continued)

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Appendix Figure B.1B (continued)

SOURCE: MDRC calculations from LA DPSS GEARS "Assigned and Unassigned Participants Production Report," January 1996; and GAIN Employment Activity and Reporting System (GEARS) and LA DPSS Integrated Benefit Payment System AFDC/TANF records.

NOTES: County caseload totals exclude 17,466 welfare recipients with Appointment Types that made them ineligible for the Jobs-First GAIN Evaluation sample.

[a] Numbers smaller than 3,500 are not shown.

[b] The Jobs-First GAIN sample consisted primarily of the cases that were unassigned as of January 199(

June 1991) had received welfare for at least four and a half years as of January 1996. It was assumed that most of these recipients had received assistance for at least five years, the length of continuous welfare receipt used in this analysis to denote a "very long-term recipient." As shown in the first two bars of Figure B.1B recipients with this Appointment Type make up 41 percent of the total Jobs-First-GAIN-mandatory caseload but 59 percent of those referred to Jobs-First GAIN. (As will be discussed below, the actual percentage of very long-term recipients referred to Jobs-First GAIN as of January 1996 was slightly higher.) In contrast, recipients with Appointment Types indicating that they were definitely not members of FSA target groups (NN: "Non-Target, Non-Volunteer"; and NV: "Non-Target, Volunteer") received assistance for less than three years.[3] As shown in Figure B.1B, these recipients made up about 21 percent of the mandatory caseload in January 1996 but less than 5 percent of persons referred to the program. These indicators demonstrate that DPSS gave priority for services to very long-term recipients before the start of the evaluation.

The data in Table B.1 also show that dividing the caseload and the evaluation sample into early and regular enrollees is straightforward: Early enrollees have Appointment Types indicating that they were "volunteers." The larger group, "MV ("Target Mandatory Volunteer"), met one of the criteria for FSA target group status; the other group, NV ("Non-Target, Volunteer"), did not. It should be remembered, however, that all early enrollees were required to participate in Jobs-First GAIN. They are called "volunteers," because they asked DPSS to enroll them in the program before they reached the top of the waiting list. As shown in Figure B.1B, more than a quarter of welfare recipients referred to Jobs-First GAIN as of January 1996 chose to enter the program early. Everyone else is a regular enrollee, a person who waited until DPSS determined that she should be next to enter the program.

B. Documenting the Change in Referral Practices

As discussed in Chapter 2, MDRC and DPSS agreed to study the effects of Jobs-First GAIN's Work First approach on additional groups within the welfare caseload. Accordingly, DPSS reordered the waiting list and altered its procedures for referring persons to Jobs-First GAIN. The effects of these changes can be inferred from information in DPSS technical memos and by comparing the proportion of each Appointment Type among members of the evaluation sample and of the Jobs-First-GAIN-mandatory caseload.

DPSS administrators concluded that the most cost-effective way to include different types of welfare recipients in the sample was to change the IBPS system that maintained the waiting list.[4]

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[3] A person on assistance for at least three of the previous five years would be an FSA target group member; thus, recipients with Appointment Types NN and NV (both defined as "Non-Target") had to have received AFDC for a shorter period of time.

[4] County of Los Angeles, Department of Public Social Services, Bureau of Special Operations; memo from John Martinelli, Chief, GAIN Division, to Chloe Dauncey, Chief, Computer Services Division, November 29, 1995.

- For longer-term recipients:

  (1) Combine recipients from the two long-term-recipient Appointment Types (TN and ON: "Target, Non-Volunteer") into one group. DPSS continued using the Appointment Type code TN to describe this group.

  (2) Reverse the order of the waiting list for recipients with the combined "Target, Non-Volunteer" Appointment Type. Move recipients with the most recent welfare approval date to the front of the queue and recipients with the earliest welfare approval date (that is, those with the longest spells of continuous receipt) to the back of the queue.

The new referral procedures ensured that FSA target group members retained priority for services. (The combined TN Appointment Type made up 45 percent of the evaluation sample. An additional 12 percent of the sample were early enrollees who had previously had this Appointment Type.)[5] Highest priority, however, was given to FSA target group members with the shortest spells of welfare receipt. It follows logically that many of these recipients had received welfare for not much longer than three of the previous five years, including some who had left assistance then recently returned.

- For newly approved applicants and short-term recipients:

  (1) Each month, set a target of 2,000 referrals for members of the NN Appointment Type ("Non-Target, Non-Volunteer").

  (2) For the first two or three working days of each month, give recipients with the NN Appointment Type the highest priority for services.

  (3) Within the NN Appointment Type, give recipients with the most recent welfare approval date highest priority for services.

  (4) Move the NN Appointment Type farther back in the queue once IBPS made 2,000 referrals that month.

It can be inferred from these procedures that a sizable portion of the sample would be recently approved applicants for assistance with little or no prior welfare reciept.

DPSS continued offering places in the program to early enrollees. As shown in Figure B.1B, early enrollees make up about 20 percent of the sample, a slightly smaller percentage than in January 1996.

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[5]County of Los Angeles, Department of Public Social Services, Computer Services Division Request for Services, September 8, 1995, notes that DPSS sent "volunteer mailers" only to recipients with the two "Target, Non-Volunteer" Appointment Types (ON and TN) prior to the evaluation. DPSS changed this practice for the evaluation, sending 70 percent of the packets to recipients with Appointment Type TN: "Target, Non-Volunteer." Thirty percent of the mailers went to recipients with Appointment Type NN: "Non-Target, Non-Volunteer."

II. Filling in the Gaps: Estimating the Length of AFDC Receipt for Everyone in the Jobs-First-GAIN-Mandatory Caseload in January 1996 and for the Evaluation Sample

DPSS's decision to create a single Appointment Type TN ("Target, Non-Volunteer") made it difficult to use this indicator to compare the average length of time on assistance of sample members and of the larger mandatory caseload. Most sample members with this Appointment Type had been on assistance for three or more years, whereas in January 1996, most recipients with this Appointment Type had been on assistance for five or more years. A similar problem occurred for early enrollees with Appointment Type MV ("Target, Mandatory Volunteer"). It is reasonable to assume that most of these persons received AFDC for at least three of the previous five years. Some recipients defined as FSA target group members, however, could have received AFDC for fewer than three years, but they qualified for target group status for other reasons (see Chapter 2). Others with an MV Appointment Type ("Target, Mandatory Volunteer") could be very long-term recipients, now pushed farther back in the queue. Finally, as shown in Table B.1, additional Appointment Types (such as ED: "Expiring Deferral") provide no information about the recipient's length of time on welfare.

A. Inferring Evaluation Sample Members' Length of Time on Assistance

MDRC addressed this problem in several steps. First, it was necessary to infer which of the original two "Target Non-Volunteer" Appointment Types (TN and ON) sample members belonged to, using sample members' AFDC payment records and their self-reported data on cumulative welfare receipt. Sample members were considered to belong to the original very long-term recipient Appointment Type (TN: received AFDC since before June 1991) if they had received AFDC continuously — that is, for 23 or 24 months — during the two years before random assignment and reported to Jobs-First GAIN staff at orientation that they had received AFDC for at least five years cumulatively on their own or their spouse's case. Using this procedure, about 7 percent of the sample were coded as very long-term recipients (TN), and 38 percent were coded as recipients for between three and five years (ON). These findings showed that DPSS had in fact brought into the program recipients with shorter histories of welfare receipt.

The next task was to infer the length of welfare receipt for recipients with other Appointment Types. The following criteria were used to place all sample members into one of three subgroups of prior welfare receipt.

- Less than three years:

  (1) Sample member had a non-target group Appointment Type (NN, NV); or

  (2) Sample member had a target group Appointment Type (MV, ON), did not receive AFDC payments continuously during the two years before random assignment, and had other background characteristics associated with FSA target group status (was under 24 years old and had no high school diploma or GED certificate or her youngest child was between 16 and 18 years old); or

(3) Sample member had an Appointment Type that provided no information about FSA target group status (PF, ED, FI, UT) and did not receive AFDC payments continuously during the two years before random assignment.

- Between three and five years:

  (1) Sample member had a target group Appointment Type (MV, ON), received AFDC payments continuously during the two years before random assignment, and reported receiving AFDC cumulatively for less than five years; or

  (2) Sample member had a target group Appointment Type (MV, ON), did not receive AFDC payments continuously during the two years before random assignment, and had no other background characteristics associated with FSA target group status; or

  (3) Sample member had an Appointment Type that provided no information about target group status (PF, ED, FI, UT), received AFDC payments continuously during the two years before random assignment, and reported receiving AFDC cumulatively for less than five years.

- Five years or more:

  (1) Sample member had a target group Appointment Type (MV, TN), received AFDC payments continuously during the two years before random assignment, and reported receiving AFDC cumulatively for five years or more; or

  (2) Sample member had an Appointment Type that provided no information about target group status (PF, ED, FI, UT), received AFDC payments continuously during the two years before random assignment, and reported receiving AFDC payments cumulatively for five years or more.

The percentage of all sample members in each of the three welfare receipt categories is displayed in the third row of Table B.2 and in the right-hand pie graph in Figure 2.2.

B. Inferring Length of Time on Assistance for the Jobs-First-GAIN-Mandatory Caseload in January 1996

For this analysis, it was assumed that each Appointment Type in the Jobs-First-GAIN-mandatory caseload had the same proportion of recipients in each category of welfare receipt (shown in Table B.2) as did the evaluation sample. For instance, Appointment Type MV ("Target, Mandatory Volunteer") had 8,750 recipients in the mandatory caseload in January 1996 (see Table B.1). Using the data from Table B.2, it was assumed that 761 of them, or 8.7 percent, had received AFDC for less than three years; 6,580 (75.2 percent) had received AFDC between three and five years; and 1,409 (16.1 percent) had received AFDC for five or more years. Performing these calculations for the entire adult caseload yielded the percentages that appear in Table B.3 and in the

Appendix Table B.2

Length of Current Welfare Spell by Appointment Type

Appointment Type and Outcome (%)	Less than 3 years	Between 3 and 5 years	Five or more years
NN: Non-Target, Non-Volunteer	100.0	0.0	0.0
NV: Non-Target Volunteer	100.0	0.0	0.0
ON:Target, Non-Volunteer, Received AFDC Since After June ,1991	10.7	89.3	0.0
MV: Target Mandatory Volunteer	8.7	75.2	16.1
TN Target, Non-Volunteer, Received AFDC Since Before June ,1991	0.0	0.0	100.0
ED: Expiring Deferral	15.9	57.3	26.7
UT: Over 18 Years Old, with Child under 3 Years Old	87.7	10.0	2.3
FI: Post Financial Sanction (first)	33.3	39.5	27.2
FI: Post Financial Sanction (subsequent)	42.3	34.6	23.1

left-hand pie graph in Figure 2.2. The procedure was then repeated for the portion of the caseload that had already been referred to Jobs-First GAIN in January 1996 (shown in Table B.3, but not in Figure 2.2).

These results demonstrate that DPSS dramatically increased the number of referrals for recipients who had received AFDC for less than five years and decreased the number of referrals for recipients on assistance for five years or more.

III. Estimating Evaluation Sample Members' Cumulative Length of Welfare Receipt

In the Jobs-First GAIN Evaluation, as in most previous MDRC evaluations of welfare-to-work programs, sample members attending a program orientation were asked how long they had ever received AFDC on their own or their spouse's case. Sample members were asked to sum the number of months of welfare receipt for the current and for any previous periods on assistance. These data were used to divide the sample into three welfare receipt subgroups:

- *Applicant:* person beginning her first-ever spell on AFDC;
- *Short-term recipient*: person who had received welfare cumulatively for less than two years; and
- *Long-term recipient*: person who had received welfare cumulatively for at least two years.

Direct comparisons between AFDC payment records and these self-reported data showed inconsistencies, especially for sample members who described themselves as newly approved applicants or short-term recipients. In particular, about half of sample members who described themselves as newly approved applicants received AFDC payments continuously during the two years before random assignment. MDRC therefore decided to change the criteria for placing sample members in these three subgroups:[6]

Applicant	Sample member reported no prior AFDC receipt and received AFDC payments for six months or less during the two years before random assignment.
Short-term recipient	(1) Sample member reported no prior AFDC receipt but received AFDC payments for between seven and 22 months during the two years before random assignment; or (2) Sample member reported receiving AFDC for between one month and two years cumulatively and did not receive AFDC payments continuously during the two years before random assignment.
Long-term recipient	(1) Sample member reported no prior AFDC receipt but received AFDC payments continuously during the two years before random assignment; or (2) Sample member reported receiving AFDC between one month and two years cumulatively and received AFDC payments continuously during the two years before random assignment; or (3) Sample member reported receiving AFDC for two or more years cumulatively.

The effects of these changes are shown in Table B.4. The percentages in the "Revised, Using AFDC Records" column appear in Table 2.2.

[6]AFDC records were not used to infer a shorter duration of cumulative welfare receipt than the sample member reported. For example, a sample member who described herself as a long-term recipient was not changed to a newly approved applicant if no AFDC payment records were found for the two years before random assignment. It would still be possible for the sample member to have received AFDC for two years or more earlier in her adult life.

Appendix Table B.3

Length of Current Welfare Spell for Members of the Jobs-First-GAIN-Mandatory Caseload and Members of the Jobs-First GAIN Evaluation Sample

Analysis Group and Outcome (%)	Less than 3 years	Between 3 and 5 years	Five or more years
Jobs-First Mandatory Caseload in January, 1996	27.0	29.8	43.1
Jobs-First Mandatory Caseload, Referred to Jobs-First GAIN as of January, 1996	8.5	27.4	64.1
Jobs-First GAIN Evaluation Sample	32.7	53.4	13.8

Appendix Table B.4

AFDC-FG and AFDC-U Sample Members' Aid Status

	AFDC-FGs		AFDC-Us	
Aid Status (%)	Self-Reported Data Only	Revised, Using AFDC Records	Self-Reported Data Only	Revised, Using AFDC Records
Applicant	17.6	3.6	10.9	2.8
Short-Term Recipient	20.6	23.6	30.3	28.8
Long-Term Recipient	61.8	72.8	58.9	68.4

Appendix Table B.5

Demographic Characteristics of AFDC-U Sample Members, by Gender

Characteristic	Female	Male
Random assignment quarter (%)		
April-June of 1996	55.4	56.9
July-September of 1996	44.6	43.1
San Fernando Valley (Region 2)	36.9	23.5
San Gabriel Valley (Region 3)	26.4	28.1
Central (Region 4)	7.6	15.4
Southern (Region 5)[a]	11.4	12.7
Southeastern (Region 6)	17.7	20.3
Aid status[b] (%)		
Applicant	2.3	3.3
Short-term recipient	28.6	29.0
Long-term recipient (received AFDC for at least 2 years)	69.1	67.8
5 years or more but less than 10 years	16.8	11.5
10 years or more	2.7	2.2
Less disadvantaged recipient[c] (%)	35.8	41.3
More disadvantaged recipient[d] (%)	33.3	26.5
On AFDC as a child (%)		
Yes	14.5	11.8
No	85.4	88.1
Don't know	0.2	0.1
Long-term, 2nd-generation recipient (%)	7.7	5.4
Likely to receive an exemption[e] (%)	25.1	15.9
Previous employment (%)		
Employed within past year	17.1	40.5
Employed within past 2 years	23.0	48.9
Employed within past 3 years	25.9	53.0
Current employment (%)		
Not employed	92.2	81.0
Employed	7.8	19.0
Employed 1-14 hours per week	1.1	1.4
Employed 15-29 hours per week	4.3	12.3
Employed 30 or more hours per week	2.4	5.3
Highest degree/diploma earned (%)		
GED	2.7	2.7
High school diploma	35.1	27.2
Technical/AA/2-year college degree	3.1	3.8
4-year (or more) college degree	2.9	3.8
None of the above	56.1	62.6
Has a high school diploma, GED, or higher degree (%)	43.9	37.4

(continued)

Appendix Table B.5 (continued)

Characteristic	Female	Male
Highest grade completed in school (%)		
Less than 8th	25.0	29.6
8th	3.6	4.3
9th	6.4	6.0
10th	11.2	10.6
11th	10.8	10.5
12th	33.3	27.8
Post high school	8.6	10.6
No formal schooling	1.0	0.6
Average highest grade completed in school	10.6	10.0
Currently in a school or training program (%)	10.1	5.5
Ethnicity (%)		
White, non-Hispanic	31.9	24.7
Hispanic	45.8	47.7
African-American[f]	5.1	5.5
Asian/Pacific Islander	17.0	22.0
Native American/Alaskan native	0.1	0.1
Limited English proficiency (%)	50.1	53.2
Age (%)		
Less than 25	14.3	7.4
25-34	35.0	28.5
35-44	38.4	42.8
45 or older	12.3	21.4
30 or older	71.3	81.0
Average age (years)	34.6	37.6
Parent under 24, no high school diploma (%)	7.2	3.9
Marital status (%)		
Never married	10.8	7.5
Married, living with spouse	84.7	90.6
Separated	3.5	1.5
Divorced	0.9	0.3
Widowed	0.0	0.0
Has at least one child in the following age groups (%)		
Less than 6	56.9	61.7
6-11	60.1	54.1
12-18	45.3	43.5
Age of youngest child (%)		
Less than 3	26.1	39.1
3-5	30.7	22.6
6 or older	43.1	38.3

(continued)

Appendix Table B.5 (continued)

Characteristic	Female	Male
Average number of children	2.4	2.4
Current housing status (%)		
Public	3.9	3.4
Subsidized	6.6	6.2
Emergency	0.0	0.1
Other	89.5	90.4
Research sample status (%)		
Experimental	80.3	79.8
Control	19.7	20.2
Sample size	2,393	2,655

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTES: Sample members with missing data were excluded from the calculations of percentages and means.

[a]This region serves the low-income communities of Watts, Compton, and North Long Beach.

[b]The "Applicant" category includes sample members who reported never having received AFDC/TANF on their own or a spouse's case. "Short-term recipients" reported having received AFDC/TANF on their own or a spouse's case for one month to less than two years at any time prior to random assignment. "Long-term recipients" reported having received AFDC/TANF on their own or a spouse's case for two years or more at any time prior to random assignment.

[c]A "less disadvantaged recipient" is a long-term recipient who had a high school diploma or GED and/or who worked for pay during the year prior to random assignment.

[d]A "more disadvantaged recipient" is a long-term recipient without a high school diploma or GED who did not work for pay during the year prior to random assignment.

[e]Prior to random assignment, GAIN case managers recorded whether they thought the sample members were likely to be exempted from participation in GAIN. Recommendations for actual exemptions were made for experimental group members after random assignment.

[f]Los Angeles does not distinguish between non-Hispanic and Hispanic blacks.

Appendix Table B.6
Background Characteristics of AFDC-FG Sample Members, by GAIN Region

Characteristic	San Fernando Valley (Region 2)	San Gabriel Valley (Region 3)	Central (Region 4)	Southern (Region 5)[a]	Southeastern (Region 6)
Random assignment quarter (%)					
April-June of 1996	53.0	53.8	64.2	56.3	54.9
July-September of 1996	47.0	46.2	35.8	43.7	45.1
Female (%)	92.6	93.0	93.6	91.7	93.6
Aid status[b] (%)					
Applicant	1.9	5.3	4.4	3.3	2.4
Short-term recipient	23.8	25.9	19.4	20.1	28.2
Long-term recipient (received AFDC for at least 2 years)	74.3	68.8	76.2	76.6	69.4
5 years or more but less than 10 years	17.2	15.3	14.2	16.2	15.0
10 years or more	5.3	6.1	11.1	9.1	8.1
Less disadvantaged recipient[c] (%)	43.5	40.7	42.2	50.2	34.8
Most disadvantaged recipient[d] (%)	30.8	28.1	33.9	26.4	34.6
On AFDC as a child (%)					
Yes	22.4	18.2	34.7	31.3	23.2
No	76.6	81.8	65.1	68.4	76.8
Don't know	0.9	0.0	0.2	0.3	0.0
Long-term, 2nd generation recipient (%)	16.0	10.2	22.4	22.6	16.2
Likely to receive an exemption[e] (%)	21.0	20.9	9.9	20.2	19.2
Previous employment (%)					
Employed within past year	29.4	29.9	21.1	25.7	27.7
Employed within past 2 years	37.5	36.9	27.7	33.8	35.8
Employed within past 3 years	41.2	39.9	31.5	37.7	39.4
Current employment (%)					
Not employed	88.8	87.2	94.0	92.2	91.8
Employed	11.2	12.8	6.0	7.8	8.2
Employed 1-14 hours per week	1.3	1.2	1.1	1.0	1.5
Employed 15-29 hours per week	4.4	5.7	2.7	3.4	4.1
Employed 30 or more hours per week	5.6	5.9	2.3	3.5	2.6
Highest degree/diploma earned (%)					
GED	5.2	5.3	4.2	5.5	4.9
High school diploma	30.9	36.8	33.5	45.7	28.5
Technical/AA/2-year college degree	5.2	3.1	3.8	4.1	2.2
4-year (or more) college degree	2.7	0.9	1.1	1.3	0.5
None of the above	55.9	53.9	57.4	43.5	63.9
Has a high school diploma, GED, or higher degree (%)	44.1	46.1	42.6	56.5	36.1

(continued)

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Appendix Table B.6 (continued)

Characteristic	San Fernando Valley (Region 2)	San Gabriel Valley (Region 3)	Central (Region 4)	Southern (Region 5)[a]	Southeastern (Region 6)
Highest grade completed in school (%)					
Less than 8th	17.7	12.0	14.2	7.4	20.1
8th	3.3	2.5	3.1	2.2	3.8
9th	6.3	5.7	5.2	4.9	8.9
10th	11.2	10.2	8.6	8.3	10.7
11th	17.3	18.0	22.3	20.1	18.8
12th	32.2	39.1	36.0	44.0	28.9
Post high school	12.0	11.8	10.6	12.9	7.9
No formal schooling	0.1	0.6	0.1	0.1	0.9
Average highest grade completed in school	10.3	11.2	10.6	11.2	10.7
Currently in a school or training program (%)	11.4	11.2	15.0	15.5	15.2
Ethnicity (%)					
White, non-Hispanic	37.4	19.3	5.5	11.4	12.2
Hispanic	44.6	53.6	36.2	18.6	75.1
Arican-American[f]	14.7	17.6	55.1	59.0	10.8
Asian/Pacific Islander	3.1	9.4	3.0	10.6	1.6
Native American/Alaskan native	0.3	0.2	0.2	0.3	0.3
Limited English proficiency (%)	27.3	17.4	20.9	9.7	29.5
Age (%)					
Less than 25	13.4	16.8	18.7	17.8	18.9
25-34	38.3	42.7	38.5	45.7	37.0
35-44	35.7	30.4	31.9	28.2	32.7
45 or older	12.7	10.1	10.9	8.3	11.3
30 or older	68.2	62.0	63.6	58.8	64.2
Average age (years)	34.4	33.0	33.2	32.2	33.4
Parent under 24, no high school diploma (%)	6.6	6.7	10.3	7.8	10.2
Marital status (%)					
Never married	41.4	41.9	44.8	46.2	40.8
Married, living with spouse	9.8	6.0	5.7	5.2	7.8
Separated	29.2	34.2	37.4	35.0	35.9
Divorced	17.6	16.1	10.3	11.8	13.5
Widowed	2.1	1.7	1.8	1.8	2.0
Has at least one child in the following age groups (%)					
Less than 6	50.8	53.1	51.1	56.3	54.2
6-11	54.8	56.7	53.8	54.1	53.3
12-18	42.3	37.1	38.6	35.1	42.9
Age of youngest child (%)					
Less than 3	7.0	10.7	10.8	7.2	10.7
3-5	43.8	42.4	40.3	49.1	43.5
6 or older	49.2	46.9	48.9	43.7	45.8

(continued)

Appendix Table B.6 (continued)

Characteristic	San Fernando Valley (Region 2)	San Gabriel Valley (Region 3)	Central (Region 4)	Southern (Region 5)[a]	Southeastern (Region 6)
Number of children (%)					
None	0.0	0.0	0.0	0.0	0.0
1	42.2	42.6	46.7	43.2	41.0
2	30.3	29.9	29.4	30.7	29.9
3 or more	27.5	27.6	23.9	26.1	29.1
Average number of children	2.0	2.0	1.9	2.0	2.0
Current housing status (%)					
Public	7.5	4.5	3.7	4.7	7.4
Subsidized	11.4	6.7	13.8	9.6	6.7
Emergency	0.6	0.2	0.5	0.8	0.1
Other	80.5	88.7	82.0	84.9	85.8
Research sample status (%)					
Experimental	71.1	71.4	77.7	72.1	76.8
Control	28.9	28.6	22.3	27.9	23.2
Sample size	2,843	3,990	2,526	3,522	2,802

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTES: Sample members with missing data were excluded from the calculations of percentages and means.

[a]This region serves the low-income communities of Watts, Compton, and North Long Beach.

[b]The "Applicant" category includes sample members who reported never having received AFDC on their own or a spouse's case. "Short-term recipients" reported having received AFDC on their own or a spouse's case for one month to less than two years at any time prior to random assignment. "Long-term recipients" reported having received AFDC on their own or a spouse's case for two years or more at any time prior to random assignment.

[c]A "less disadvantaged" sample member is a long-term recipient who had a high school diploma or GED certificate at random assignment and/or who worked for pay during the year prior to random assignment.

[d]A "most disadvantaged" sample member is a long-term recipient who did not have a high school diploma or GED certificate at random assignment and who did not work for pay during the year prior to random assignment.

[e]During orientation, but prior to random assignment, GAIN case managers identified sample members whose circumstances made them likely to be exempted from participation in GAIN. Recommendations for actual exemptions were made during appraisal meetings that followed random assignment, but only for experimental group members.

[f]Los Angeles does not distinguish between non-Hispanic and Hispanic African-Americans.

Appendix Table B.7
Background Characteristics of AFDC-U Sample Members, by GAIN Region

Characteristic	San Fernando Valley (Region 2)	San Gabriel Valley (Region 3)	Central (Region 4)	Southern (Region 5)[a]	Southeastern (Region 6)
Random assignment quarter (%)					
April-June of 1996	53.1	58.5	67.2	57.5	50.1
July-September of 1996	46.9	41.5	32.8	42.6	50.0
Female (%)	58.6	45.9	31.0	44.7	43.9
Aid status[b] (%)					
Applicant	1.7	3.1	2.4	2.8	4.5
Short-term recipient	23.6	25.1	25.4	31.1	42.9
Long-term recipient (received AFDC at least 2 years)	74.7	71.8	72.3	66.1	52.7
5 years or more but less than 10 years	19.3	15.4	12.2	10.2	7.1
10 years or more	2.1	3.7	1.2	2.0	2.1
Less disadvantaged recipient[c] (%)	51.0	37.9	39.4	35.2	22.4
Most disadvantaged recipient[d] (%)	23.8	33.9	32.8	30.9	30.2
On AFDC as a child (%)					
Yes	13.7	12.1	13.1	13.9	12.9
No	86.0	87.8	86.9	86.1	87.1
Don't know	0.3	0.2	0.0	0.0	0.0
Long-term, 2nd-generation recipient (%)	7.7	6.0	5.9	7.1	5.3
Likely to receive an exemption[e] (%)	24.2	17.4	12.7	23.1	21.1
Previous employment (%)					
Employed within past year	24.4	36.0	24.7	23.4	34.6
Employed within past 2 years	31.1	41.2	30.1	30.9	46.1
Employed within past 3 years	33.8	44.2	33.8	36.5	50.4
Current employment (%)					
Not employed	86.6	80.7	87.3	91.5	90.0
Employed	13.4	19.3	12.7	8.5	10.0
Employed 1-14 hours per week	2.2	0.7	1.4	1.0	0.7
Employed 15-29 hours per week	7.6	14.0	8.0	3.6	5.4
Employed 30 or more hours per week	3.6	4.6	3.4	3.9	3.8
Highest degree/diploma earned (%)					
GED	2.2	1.9	2.5	4.9	3.4
High school diploma	42.8	26.8	23.7	34.7	20.3
Technical/AA/2-year college degree	5.6	3.2	1.7	3.0	1.9
4-year (or more) college degree	6.0	2.2	5.3	0.7	1.6
None of the above	43.3	65.9	66.8	56.8	72.9
Has a high school diploma, GED, or higher degree (%)	56.7	34.1	33.2	43.2	27.1

(continued)

Appendix Table B.7 (continued)

Characteristic	San Fernando Valley (Region 2)	San Gabriel Valley (Region 3)	Central (Region 4)	Southern (Region 5)[a]	Southeastern (Region 6)
Highest grade completed in school (%)					
Less than 8th	18.3	29.5	37.7	21.4	36.2
8th	4.6	3.9	3.9	3.0	3.7
9th	4.5	6.0	5.8	7.7	8.4
10th	15.6	9.8	7.8	9.7	7.7
11th	7.7	11.7	6.8	14.9	13.3
12th	37.5	28.0	28.1	34.2	21.9
Post high school	11.8	9.5	8.8	9.0	7.7
No formal schooling	0.1	1.6	1.2	0.2	1.0
Average highest grade completed in school	10.3	10.9	10.1	10.1	9.7
Currently in a school or training program (%)	9.8	3.9	9.1	9.2	8.0
Ethnicity (%)					
White, non-Hispanic	61.3	14.9	22.7	12.3	8.5
Hispanic	30.4	40.7	49.6	38.0	85.2
African-American[r]	2.3	4.2	8.8	18.0	1.8
Asian/Pacific Islander	6.0	40.2	19.0	31.4	4.5
Native American/Alaskan native	0.0	0.2	0.0	0.3	0.1
Limited English proficiency (%)	58.3	48.3	65.7	30.8	51.1
Age (%)					
Less than 25	6.9	10.5	6.4	17.5	15.2
25-34	35.3	32.6	23.5	32.6	28.5
35-44	42.7	38.7	46.0	37.2	39.6
45 or older	15.1	18.2	24.0	12.8	16.8
30 or older	80.1	75.4	84.6	66.1	73.7
Average age (years)	36.2	36.2	38.5	34.3	35.8
Parent under 24, no high school diploma (%)	3.9	4.5	4.4	9.0	7.8
Marital status (%)					
Never married	7.6	9.0	5.9	13.6	10.4
Married, living with spouse	90.4	87.6	90.6	80.8	86.9
Separated	1.3	2.4	3.0	5.3	2.3
Divorced	0.6	0.9	0.6	0.3	0.4
Widowed	0.1	0.1	0.0	0.0	0.0
Has at least one child in the following age groups (%)					
Less than 6	51.5	62.6	50.3	70.0	66.4
6-11	58.5	55.2	57.5	55.7	57.5
12-18	46.3	43.1	48.9	37.1	44.9
Age of youngest child (%)					
Less than 3	24.4	35.8	27.9	42.5	39.3
3-5	27.1	26.7	22.3	27.4	27.1
6 or older	48.5	37.4	49.8	30.1	33.6

(continued)

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Appendix Table B.7 (continued)

Characteristic	San Fernando Valley (Region 2)	San Gabriel Valley (Region 3)	Central (Region 4)	Southern (Region 5)[a]	Southeastern (Region 6)
Number of children (%)					
None	0.0	0.0	0.0	0.0	0.0
1	22.3	24.9	25.7	21.2	22.1
2	46.4	33.1	35.4	31.9	31.8
3 or more	31.3	42.1	38.9	47.0	46.1
Average number of children	2.3	2.5	2.4	2.6	2.6
Current housing status (%)					
Public	5.2	2.3	3.4	1.5	4.4
Subsidized	8.5	5.2	6.6	7.2	4.1
Emergency	0.2	0.1	0.0	0.0	0.0
Other	86.1	92.4	90.1	91.3	91.5
Research sample status (%)					
Experimental	80.2	79.6	79.9	78.7	81.2
Control	19.8	20.4	20.1	21.3	18.8
Sample size	1,507	1,376	591	611	963

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTES: Sample members with missing data were excluded from the calculations of percentages and means.

[a]This region serves the low-income communities of Watts, Compton, and North Long Beach.

[b]The "Applicant" category includes sample members who reported never having received AFDC on their own or a spouse's case. "Short-term recipients" reported having received AFDC on their own or a spouse's case for one month to less than two years at any time prior to random assignment. "Long-term recipients" reported having received AFDC on their own or a spouse's case for two years or more at any time prior to random assignment.

[c]A "less disadvantaged" sample member is a long-term recipient who had a high school diploma or GED certificate at random assignment and/or who worked for pay during the year prior to random assignment.

[d]A "most disadvantaged" sample member is a long-term recipient who had a high school diploma or GED certificate at random assignment and who did not work for pay during the year prior to random assignment.

[e]During orientation, but prior to random assignment, GAIN case managers identified sample members whose circumstances made them likely to be exempted from participation in GAIN. Recommendations for actual exemptions were made during appraisal meetings that followed random assignment, but only for experimental group members.

[f]Los Angeles does not distinguish between non-Hispanic and Hispanic African-Americans.

Appendix C

Supplementary Tables to Chapter 3

Appendix Table C.1
Rates of Participation and Status for Los Angeles Jobs-First GAIN, Los Angeles GAIN, Riverside GAIN, and Riverside LFA Programs, for AFDC-FGs and AFDC-Us

Sample and Outcome	Los Angeles Jobs-First GAIN	Los Angeles GAIN	Riverside GAIN	Riverside LFA
AFDC-FGs				
Ever participated in (%)				
Any activity	38.2	51.3	60.1	43.8
Job search	33.5	11.9	34.3	41.3
Any education or training	8.5	43.8	36.3	7.6
Basic education	3.6	36.8	21.8	1.3
Deferred for any reason (%)	26.3	48.9	48.0	N/A
Deregistered for any reason (%)	82.6	46.3	79.4	72.5
Sanctioned (%)	22.8	5.4	6.0	8.7
AFDC-Us				
Ever participated in (%)				
Any activity	30.1	36.0	66.0	N/A
Job search	28.2	5.0	42.2	N/A
Any education or training	3.5	32.7	32.0	N/A
Basic education	1.9	29.5	25.9	N/A
Deferred for any reason (%)	38.1	69.6	42.2	N/A
Deregistered for any reason (%)	85.4	34.1	79.6	N/A
Sanctioned (%)	16.7	2.1	6.8	N/A

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS) and MDRC-collected case file data.

NOTE: Rates of participation and status were collected for a follow-up period of 12 months for Los Angeles Jobs-First GAIN, 11 months for Los Angeles and Riverside GAIN, and 24 months for Riverside LFA.

Los Angeles Jobs-First GAIN Evaluation

Appendix Table C.2

Reason for First Deferral and for First Deregistration for AFDC-FG Experimental Group Members Who Entered These Statuses Within One Year After Orientation, by Participation Status

Status	All	Participated in Jobs-First GAIN Activities	Did Not Participate in Jobs-First GAIN Activities
Reason for first deferral for individuals ever deferred (%)			
Unapproved SIT[a]	25.7	13.4	31.3
Legal difficulties	5.2	6.2	4.8
Illness	19.5	19.9	19.3
Severe family crisis	14.3	17.8	12.8
No child care	17.6	23.8	14.9
Employment	8.4	9.0	8.1
Other reason[b]	9.2	10.0	8.9
Sample size	3,007	956	2,051
Reason for first deregistration for individuals ever deregistered (%)			
Employment	41.8	60.8	30.9
Sanction	26.3	23.5	28.0
Other	31.9	15.7	41.2
Sample size	9,543	3,564	5,979

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTES: Full sample means and percentages are weighted averages of results for regular and early enrollees.

Measure = (regular enrollee result x percent of experimental and control group regular enrollees in the AFDC-FG sample) + (early enrollee result x percent of experimental and control group early enrollees in the AFDC-FG sample).

[a] A SIT is a self-initiated activity (literally: self-initiated training).

[b] Includes deferrals for school not in session, child under age three, drug addiction, emotional or mental problem, no legal right to work, in good standing in union, temporarily laid off, transportation problems, excluded parent, moving, pregnancy, and funding-related problems.

Los Angeles Jobs-First GAIN Evaluation

Appendix Table C.3

Participation Patterns Within One Year of Orientation for AFDC-U Experimental Group Members Who Participated in Jobs-First GAIN Activities

Activity Measure	
Participated in job search (%)	93.7
One spell	79.1
Two or more spells	20.9
Participated in (%)[a]	
Job search only	87.8
Education and training only	5.8
Job search and education and training	5.9
Average number of months in which individuals participated in a Jobs-First GAIN activity[b]	2.6
Number of months in which there was participation (%)[c]	
1	42.2
2	30.0
3	8.7
4 to 6	9.3
7 to 12	9.6
Still participating at the end of year 1 (%)	13.1
Sample size	1,216

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTES: [a]The percentage of participants who only participated in work experience or on-the-job training is not shown in the table.

[b]Participants with missing data were excluded from the calculation of the mean.

[c]Subcategoy percentages do not sum to 100 percent because of missing data.

Los Angeles Jobs-First GAIN Evaluation

Appendix Table C.4

Transitions to Nonmandatory Status Within One Year of Orientation for AFDC-U Experimental Group Members, by Participation Status

Nonmandatory Status	All	Participated in Jobs-First GAIN Activities	Did Not Participate in Jobs-First GAIN Activities
Percentage in status (%)			
Any nonmandatory status[a]	97.7	96.5	98.3
Off AFDC/TANF	24.4	25.8	23.8
Employed[b]	53.6	66.4	48.1
Deregistered	85.4	86.4	85.0
For employment[c]	48.9	65.5	41.8
Sanctioned	16.7	18.3	16.0
Deferred	38.1	37.9	38.2
Average number of months to start of nonmandatory status[d]			
Any nonmandatory status	0.9	1.3	0.8
Off AFDC/TANF	5.4	6.1	5.1
Employed[b]	1.6	1.5	1.7
Deregistered	2.4	3.9	2.0
For employment[c]	2.7	3.1	2.4
Sanctioned	5.3	6.0	4.9
Deferred	3.2	3.7	3.0
Sample size	4,039	1,216	2,823

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS), California Employment Department Unemployment Insurance earnings records, and LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTES: [a] Subcategory percentages do not add to category percentages because sample members could enter more than one nonmandatory status.

[b] Calculated from automated UI earnings records. Some employment may not have been known to Jobs-First GAIN staff.

[c] Calculated from GEARS program tracking records. All employment was known to Jobs-First GAIN staff.

[d] Only sample members who entered a particular nonmandatory status were included in the calculation.

Los Angeles Jobs-First GAIN Evaluation

Appendix Table C.5

Reason for First Deferral and for First Deregistration for AFDC-U Experimental Group Members Who Entered These Statuses Within One Year After Orientation, by Participation Status

Status	All	Participated in Jobs-First GAIN Activities	Did Not Participate in Jobs-First GAIN Activities
Reason for first deferral for individuals ever deferred (%)			
Unapproved SIT[a]	12.3	5.9	15.1
Legal difficulties	2.8	2.6	2.9
Illness	14.0	13.5	14.2
Severe family crisis	6.9	11.1	5.1
No child care	4.6	6.7	3.6
Employment	14.0	9.8	15.8
Other reason[b]	45.5	50.5	43.4
Sample size	1,540	461	1,079
Reason for first deregistration for individuals ever deregistered (%)			
Employment	47.0	64.9	39.2
Sanction	16.8	18.6	16.0
Other	36.2	16.6	44.8
Sample size	3,450	1,051	2,399

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS).

NOTES: [a] A SIT is a self-initiated activity (literally: self-initiated training).

[b] Includes deferrals for school not in session, child under age three, drug addiction, emotional or mental problem, no legal right to work, in good standing in union, temporarily laid off, transportation problems, excluded parent, moving, pregnancy, and funding-related problems.

Los Angeles Jobs-First GAIN Evaluation

Appendix Table C.6

Patterns of Incurring a Sanction Within One Year of Orientation for AFDC-U Experimental Group Members, by Participation Status

Sanction Status	All	Participated in Jobs-First GAIN Activities	Did Not Participate in Jobs-First GAIN Activities
Sanctioned (%)	16.7	18.3	16.1
For individuals who incurred a sanction			
Average number of months to start of sanction	5.3	6.0	4.9
Average number of months in sanction status	2.0	1.9	2.1
Number of months in sanction status (%)			
1	64.6	62.6	65.6
2 to 3	15.7	21.6	12.8
4 to 6	16.2	14.4	17.0
7 to 12	3.6	1.4	4.6
Status following first sanction (%)[a]			
Remained in sanction status until end of follow-up	6.7	6.8	6.6
Participated in Jobs-First GAIN Activity	11.0	33.3	0.0
Off AFDC/TANF	18.2	16.2	19.2
Employed[b]	43.0	41.4	43.7
Deregistered	33.5	40.1	30.2
Deferred	15.7	17.1	15.0
Other[c]	19.6	13.5	22.5
Sample size	4,039	1,216	2,823

(continued)

Appendix Table C.6 (continued)

SOURCE: MDRC calculations using data from the GAIN Employment Activity and Reporting System (GEARS), California Employment Department Unemployment Insurance earnings records, and LA DPSS Integrated Benefit Payment System AFDC/TANF payment records.

NOTE: [a]Subcategory percentages do not add to the category percentage because sample members could enter more than one status after their first sanction.

[b] Calculated from automated UI earnings records. Some employment may not have been known to Jobs-First GAIN staff.

[c]Includes awaiting assignment to or start of next program activity and return to conciliation status.

Appendix D

Supplementary Tables to Chapter 4

Appendix Table D.1
Impacts on Employment, Earnings, AFDC/TANF, Food Stamps, and Combined Income for Regular Enrollee AFDC-FGs in the Full Sample

Outcome	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Employed Q2 to 5 (%)	53.0	43.0	10.0 ***	23.4
Q2	34.6	25.3	9.4 ***	37.1
Q3	36.7	28.5	8.2 ***	29.0
Q4	37.5	30.6	6.9 ***	22.7
Q5	39.1	33.0	6.1 ***	18.4
Q6	40.9	34.9	6.0 ***	17.2
Quarters employed Q2 to 5	1.48	1.17	0.31 ***	26.1
Earnings Q2 to 5 ($)	3,167	2,493	674 ***	27.0
Q2	606	453	153 ***	33.8
Q3	772	579	193 ***	33.4
Q4	843	680	164 ***	24.1
Q5	945	782	164 ***	20.9
Q6	1,069	896	173 ***	19.3
If ever employed in year 1				
Quarters employed	*2.79*	*2.73*	*0.06* [a]	*2.2*
Quarter of first employment	*2.63*	*2.75*	*-0.13* [a]	*-4.7*
Quarters in first employment spell	*2.70*	*2.64*	*0.06* [a]	*2.3*
Average earnings per quarter employed ($)				
Q2 to 5	*2,140*	*2,125*	*16* [a]	*0.7*
Ever received AFDC/TANF Q2 to 5 (%)	97.5	97.7	-0.2	-0.2
Months received AFDC/TANF Q2 to 5	9.97	10.46	-0.49 ***	-4.7
Received AFDC/TANF (%)				
Q2	97.2	97.4	-0.3	-0.3
Q3	90.2	92.5	-2.3 ***	-2.4
Q4	83.5	88.1	-4.6 ***	-5.2
Q5	78.3	82.9	-4.6 ***	-5.6
Q6	73.4	78.1	-4.6 ***	-5.9
AFDC/TANF amount Q2 to 5 ($)	5,370	5,787	-417 ***	-7.2
Q2	1,572	1,618	-46 ***	-2.8
Q3	1,397	1,501	-105 ***	-7.0
Q4	1,246	1,384	-138 ***	-10.0
Q5	1,156	1,284	-128 ***	-10.0
Q6	1,065	1,188	-123 ***	-10.4

(continued)

Appendix Table D.1 (continued)

Outcome	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Ever received Food Stamps Q2 to 5 (%)	94.0	94.1	-0.1	-0.1
Months received Food Stamps Q2 to 5	9.70	10.09	-0.39 ***	-3.9
Received Food Stamps (%)				
Q2	92.8	93.0	-0.1	-0.2
Q3	86.7	88.6	-1.9 ***	-2.2
Q4	80.8	84.4	-3.6 ***	-4.3
Q5	76.3	80.1	-3.8 ***	-4.7
Q6	72.0	76.0	-4.0 ***	-5.2
Food Stamps amount Q2 to 5 ($)	2,011	2,169	-158 ***	-7.3
Q2	557	574	-16 ***	-2.8
Q3	518	556	-38 ***	-6.8
Q4	487	540	-53 ***	-9.8
Q5	448	499	-51 ***	-10.2
Q6	413	459	-46 ***	-10.1
Average combined income Q2 to 5 ($)[b]	10,548	10,449	99	0.9
Sample size (total = 12,441)	8,620	3,821		

SOURCE: MDRC calculations from California Employment Development Department Unemployment Insurance earnings records and LA DPSS Integrated Benefit Payment System AFDC/TANF and Food Stamp payment records.

NOTES: The quarter of random assignment, quarter 1, may contain some earnings, AFDC/TANF payments, or Food Stamp payments from the period prior to random assignment, so it is excluded from follow-up measures. Thus, year 1 includes quarters 2 through 5.

Unless shown in italics, dollar averages include zero values for sample members not employed and for sample members not receiving welfare. Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Italicized estimates cover only periods of employment. Differences between experimental group members and control group members for such "conditional" estimates are not true experimental comparisons.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the experimental and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a]Not a true experimental comparison; statistical tests were not performed.

[b]"Combined income" is income from earnings, AFDC/TANF, and Food Stamps.

Appendix Table D.2
Impacts on Employment, Earnings, AFDC/TANF, Food Stamps, and Combined Income for Early Enrollee AFDC-FGs in the Full Sample

Outcome	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Employed Q2 to 5 (%)	58.6	44.5	14.1 ***	31.8
Q2	39.0	24.4	14.6 ***	59.9
Q3	39.9	27.2	12.7 ***	46.9
Q4	41.4	30.4	11.0 ***	36.3
Q5	42.6	31.1	11.5 ***	36.9
Q6	44.8	34.9	10.0 ***	28.6
Quarters employed Q2 to 5	1.63	1.13	0.50 ***	44.1
Earnings Q2 to 5 ($)	3,265	2,224	1,041 ***	46.8
Q2	643	419	225 ***	53.6
Q3	793	451	342 ***	75.8
Q4	851	583	269 ***	46.1
Q5	978	772	206 **	26.6
Q6	1,097	743	354 ***	47.7
If ever employed in year 1				
Quarters employed	*2.78*	*2.54*	*0.24* [a]	*9.4*
Quarter of first employment	*2.60*	*2.82*	*-0.23* [a]	*-8.1*
Quarters in first employment spell	*2.66*	*2.44*	*0.22* [a]	*8.9*
Average earnings per quarter employed ($)				
Q2 to 5	*2,004*	*1,968*	*36* [a]	*1.8*
Ever received AFDC/TANF Q2 to 5 (%)	97.8	98.6	-0.8	-0.8
Months received AFDC/TANF Q2 to 5	10.01	10.45	-0.45 **	-4.3
Received AFDC/TANF (%)				
Q2	97.5	98.5	-1.0	-1.0
Q3	90.3	93.8	-3.5 **	-3.7
Q4	83.9	88.3	-4.4 **	-4.9
Q5	78.0	81.2	-3.2	-3.9
Q6	73.4	77.4	-4.0	-5.2
AFDC/TANF amount Q2 to 5 ($)	5,335	5,826	-490 ***	-8.4
Q2	1,574	1,627	-53 **	-3.2
Q3	1,387	1,521	-133 ***	-8.8
Q4	1,235	1,398	-163 ***	-11.6
Q5	1,138	1,280	-141 ***	-11.1
Q6	1,057	1,188	-131 ***	-11.1

(continued)

Appendix Table D.2 (continued)

Outcome	Experimental Group	Control Group	Difference (Impact)	Percentage Change (%)
Ever received Food Stamps Q2 to 5 (%)	94.2	94.9	-0.7	-0.8
Months received Food Stamps Q2 to 5	9.75	10.28	-0.53 ***	-5.2
Received Food Stamps (%)				
Q2	93.3	94.1	-0.8	-0.9
Q3	86.9	90.6	-3.6 **	-4.0
Q4	81.5	87.5	-6.0 ***	-6.9
Q5	76.5	80.1	-3.6	-4.5
Q6	71.8	76.7	-4.9 *	-6.4
Food Stamps amount Q2 to 5 ($)	1,983	2,216	-233 ***	-10.5
Q2	553	581	-28 **	-4.9
Q3	507	564	-56 ***	-10.0
Q4	479	562	-83 ***	-14.7
Q5	444	509	-65 ***	-12.8
Q6	402	470	-68 ***	-14.4
Average combined income Q2 to 5 ($)[b]	10,583	10,266	317	3.1
Sample size (total = 3,242)	2,901	341		

SOURCE and NOTES: See Appendix Table D.1.

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Recent Publications on MDRC Projects

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Reforming Welfare and Making Work Pay

ReWORKing Welfare: Technical Assistance for States and Localities

A multifaceted effort to assist states and localities in designing and implementing their welfare reform programs. The project includes a series of "how-to" guides, conferences, briefings, and customized, in-depth technical assistance.

After AFDC: Welfare-to-Work Choices and Challenges for States. 1997. Dan Bloom.

Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients. 1997. Evan Weissman.

Work First: How to Implement an Employment-Focused Approach to Welfare Reform. 1997. Amy Brown.

Business Partnerships: How to Involve Employers in Welfare Reform. 1998. Amy Brown, Maria Buck, Erik Skinner.

Learnfare: How to Implement a Mandatory Stay-in-School Program for Teenage Parents on Welfare. 1998. David Long, Johannes Bos.

Project on Devolution and Urban Change

A multi-year study in four major urban counties — Cuyahoga County, Ohio (which includes the city of Cleveland), Los Angeles, Miami-Dade, and Philadelphia — that examines how welfare reforms are being implemented and affect poor people, their neighborhoods, and the institutions that serve them.

Big Cities and Welfare Reform: Early Implementation and Ethnographic Findings from the Project on Devolution and Urban Change. 1999. Janet Quint, Kathryn Edin, Maria Buck, Barbara Fink, Yolanda Padilla, Olis Simmons-Hewitt, Mary Valmont.

Mandatory Welfare Employment Programs

National Evaluation of Welfare-to-Work Strategies

A large-scale study (formerly known as the JOBS Evaluation) of different strategies for moving people from welfare to employment.

Adult Education for People on AFDC: A Synthesis of Research (U.S. Department of Education [ED]/U.S. Department of Health and Human Services [HHS]). 1995. Edward Pauly.

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Los Angeles's Jobs-First GAIN Program

An evaluation of Los Angeles's refocused GAIN (welfare-to-work) program, which emphasizes rapid employment. This is the first in-depth study of a full-scale "work first" program in one of the nation's largest urban areas.

Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients. 1997. Evan Weissman.

The Los Angeles Jobs-First GAIN Evaluation: Preliminary Findings on Participation Patterns and First-Year Impacts. 1998. Stephen Freedman, Marisa Mitchell, David Navarro.

Time Limits

Cross-State Study of Time-Limited Welfare

An examination of the implementation of some of the first state-initiated time-limited welfare programs.

Implementing Time-Limited Welfare: Early Experiences in Three States. 1995. Dan Bloom, David Butler.

The View from the Field: As Time Limits Approach, Welfare Recipients and Staff Talk About Their Attitudes and Expectations. 1997. Amy Brown, Dan Bloom, David Butler.

Welfare Time Limits: An Interim Report Card. 1999. Dan Bloom.

Connecticut's Jobs First Program

An evaluation of Connecticut's statewide time-limited welfare program, which includes financial work incentives and requirements to participate in employment-related services aimed at rapid job placement. This study provides some of the earliest information on the effects of time limits in major urban areas.

Jobs First: Early Implementation of Connecticut's Welfare Reform Initiative. 1998. Dan Bloom, Mary Andes, Claudia Nicholson.

Connecticut Post-Time Limit Tracking Study: Three-Month Survey Results. 1998. Jo Anna Hunter-Manns, Dan Bloom, Richard Hendra, Johanna Walter.

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Florida's Family Transition Program

An evaluation of Florida's initial time-limited welfare program, which includes services, requirements, and financial work incentives intended to reduce long-term welfare receipt and help welfare recipients find and keep jobs.

The Family Transition Program: An Early Implementation Report on Florida's Time-Limited Welfare Initiative. 1995. Dan Bloom.

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Vermont's Welfare Restructuring Project

An evaluation of Vermont's statewide welfare reform program, which includes a work requirement after a certain period of welfare receipt, and financial work incentives.

WRP: Implementation and Early Impacts of Vermont's Welfare Restructuring Project. 1998. Dan Bloom, Charles Michalopoulos, Johanna Walter, Patricia Auspos.

Financial Incentives

Minnesota Family Investment Program

An evaluation of Minnesota's welfare reform initiative, which aims to encourage work, alleviate poverty, and reduce welfare dependence.

MFIP: An Early Report on Minnesota's Approach to Welfare Reform. 1995. Virginia Knox, Amy Brown, Winston Lin.

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New Hope Project

A test of a community-based, work-focused antipoverty program and welfare alternative operating in Milwaukee.

The New Hope Offer: Participants in the New Hope Demonstration Discuss Work, Family, and Self-Sufficiency. 1996. Dudley Benoit.

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Who Got New Hope? 1997. Michael Wiseman.

An Early Look at Community Service Jobs in the New Hope Demonstration. 1998. Susan M. Poglinco, Julian Brash, Robert C. Granger.

New Hope for People with Low Incomes: Two-Year Results of a Program to Reduce Poverty and Reform Welfare. 1999. Johannes Bos, Aletha Huston, Robert Granger, Greg Duncan, Tom Brock, Vonnie McLoyd.

Canada's Self-Sufficiency Project

A test of the effectiveness of a temporary earnings supplement on the employment and welfare receipt of public assistance recipients. Reports on the Self-Sufficiency Project are available from: Social Research and Demonstration Corporation (SRDC), 275 Slater St., Suite 900, Ottawa, Ontario K1P 5H9, Canada. Tel.: 613-237-4311; Fax: 613-237-5045. In the United States, the reports are also available from MDRC.

Creating an Alternative to Welfare: First-Year Findings on the Implementation, Welfare Impacts, and Costs of the Self-Sufficiency Project (Social Research and Demonstration Corporation [SRDC]). 1995. Tod Mijanovich, David Long.

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Teen Parents on Welfare

Teenage Parent Programs: A Synthesis of the Long-Term Effects of the New Chance Demonstration, Ohio's Learning, Earning, and Parenting (LEAP) Program, and the Teenage Parent Demonstration (TPD). 1998. Robert C. Granger, Rachel Cytron.

Ohio's LEAP Program

An evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program, which uses financial incentives to encourage teenage parents on welfare to stay in or return to school.

LEAP: Three-Year Impacts of Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents. 1996. David Long, Judith M. Gueron, Robert G. Wood, Rebecca Fisher, Veronica Fellerath.

LEAP: Final Report on Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents. 1997. Johannes Bos, Veronica Fellerath.

New Chance Demonstration

A test of a comprehensive program of services that seeks to improve the economic status and general well-being of a group of highly disadvantaged young women and their children.

New Chance: Final Report on a Comprehensive Program for Young Mothers in Poverty and Their Children. 1997. Janet Quint, Johannes Bos, Denise Polit.

Parenting Behavior in a Sample of Young Mothers in Poverty: Results of the New Chance Observational Study. 1998. Martha Zaslow, Carolyn Eldred, editors.

Focusing on Fathers

Parents' Fair Share Demonstration

A demonstration for unemployed noncustodial parents (usually fathers) of children on welfare. PFS aims to improve the men's employment and earnings, reduce child poverty by increasing child support payments, and assist the fathers in playing a broader constructive role in their children's lives.

Low-Income Parents and the Parents' Fair Share Demonstration. 1996. Earl Johnson, Fred Doolittle.

Working with Low-Income Cases: Lessons for the Child Support Enforcement System from Parents' Fair Share. 1998. Fred Doolittle, Suzanne Lynn.

Building Opportunities, Enforcing Obligations: Implementation and Interim Impacts of Parents' Fair Share. 1998. Fred Doolittle, Virginia Knox, Cynthia Miller, Sharon Rowser.

Fathers' Fair Share: Helping Poor Men Manage Child Support and Fatherhood (Russell Sage Foundation). 1999. Earl Johnson, Ann Levine, Fred Doolittle.

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Can They All Work? A Study of the Employment Potential of Welfare Recipients in a Welfare-to-Work Program. 1995. James A. Riccio, Stephen Freedman.

Florida's Project Independence: Benefits, Costs, and Two-Year Impacts of Florida's JOBS Program. 1995. James J. Kemple, Daniel Friedlander, Veronica Fellerath.

From Welfare to Work Among Lone Parents in Britain: Lessons for America. 1996. James A. Riccio.

Employment and Community Initiatives

Connections to Work Project

A study of local efforts to increase competition in the choice of providers of employment services for welfare recipients and other low-income populations. The project also provides assistance to cutting-edge local initiatives aimed at helping such people access and secure jobs.

Tulsa's IndEx Program: A Business-Led Initiative for Welfare Reform and Economic Development. 1997. Maria Buck.

Washington Works: Sustaining a Vision of Welfare Reform Based on Personal Change, Work Preparation, and Employer Involvement. 1998. Susan Gooden.

Cost Analysis Step by Step: A How-to Guide for Planners and Providers of Welfare-to-Work and Other Employment and Training Programs. 1998. David Greenberg, Ute Appenzeller.

Jobs-Plus Initiative

A multi-site effort to greatly increase employment among public housing residents.

A Research Framework for Evaluating Jobs-Plus, a Saturation and Place-Based Employment Initiative for Public Housing Residents. 1998. James A. Riccio.

Section 3 Public Housing Study

An examination of the effectiveness of Section 3 of the 1968 Housing and Urban Development Act in affording employment opportunities for public housing residents.

Lessons from the Field on the Implementation of Section 3 (U.S. Department of Housing and Urban Development). 1996. Maxine Bailey, Suzanne Lynn.

Canada's Earnings Supplement Project

A test of an innovative financial incentive intended to expedite the reemployment of displaced workers and encourage full-year work by seasonal or part-year workers, thereby also reducing receipt of Unemployment Insurance.

Implementing the Earnings Supplement Project: A Test of a Re-employment Incentive (Social Research and Demonstration Corporation). 1997. Howard Bloom, Barbara Fink, Susanna Lui-Gurr, Wendy Bancroft, Doug Tattrie.

Education Reform

School-to-Work Project

A study of innovative programs that help students make the transition from school to work or careers.

Home-Grown Lessons: Innovative Program Linking School and Work (Jossey-Bass Publishers). 1995. Edward Pauly, Hilary Kopp, Joshua Haimson.

Home-Grown Progress: The Evolution of Innovative School-to-Work Programs. 1997. Rachel A. Pedraza, Edward Pauly, Hilary Kopp.

Career Academies

The largest and most comprehensive evaluation of a school-to-work initiative, this 10-site study examines a promising approach to high school restructuring and the school-to-work transition.

Career Academies: Early Implementation Lessons from a 10-Site Evaluation. 1996. James J. Kemple, JoAnn Leah Rock.

Career Academies: Communities of Support for Students and Teachers — Emerging Findings from a 10-Site Evaluation. 1997. James J. Kemple.

Project Transition

A demonstration program that tested a combination of school-based strategies to facilitate students' transition from middle school to high school.

Project Transition: Testing an Intervention to Help High School Freshmen Succeed. 1999. Janet Quint, Cynthia Miller, Jennifer Pastor, Rachel Cytron.

About MDRC

The Manpower Demonstration Research Corporation (MDRC) is a nonprofit, nonpartisan social policy research organization. We are dedicated to learning what works to improve the well-being of low-income people. Through our research and the active communication of our findings, we seek to enhance the effectiveness of social policies and programs. MDRC was founded in 1974 and is located in New York City and San Francisco.

MDRC's current projects focus on welfare and economic security, education, and employment and community initiatives. Complementing our evaluations of a wide range of welfare reforms are new studies of supports for the working poor and emerging analyses of how programs affect children's development and their families' well-being. In the field of education, we are testing reforms aimed at improving the performance of public schools, especially in urban areas. Finally, our community projects are using innovative approaches to increase employment in low-income neighborhoods.

Our projects are a mix of demonstrations – field tests of promising program models – and evaluations of government and community initiatives, and we employ a wide range of methods such as large-scale studies to determine a program's effects, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work – including best practices for program operators – with a broad audience within the policy and practitioner community, as well as the general public and the media.

Over the past quarter century, MDRC has worked in almost every state, all of the nation's largest cities, and Canada. We conduct our projects in partnership with state and local governments, the federal government, public school systems, community organizations, and numerous private philanthropies.

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